

The complaint

Mr B complains that The Co-operative Bank Plc (trading as Platform) wrongly refused his porting application. He also complains about the general service provided for various reasons.

What happened

In early March 2019, Mr B signed up to a two-year fixed rate deal with Platform on his residential mortgage. Soon after, Mr B decided he wanted to sell this property. He discussed his options with Platform in early April 2019. In line with his mortgage terms, if Mr B was to redeem his mortgage before the end of the fixed term, he'd incur an early repayment charge (ERC).

Mr B owned two other properties - one was unencumbered and the other was mortgaged. To avoid paying an ERC Mr B decided to port his Platform mortgage to his other mortgaged property which he says was to become his main residence.

Platform said Mr B's mortgage needed to be open for at least six months before he could start a porting application. Mr B was fine with that as this met the timescales for the sale. Mr B got back in touch with Platform in October 2019 about porting his mortgage.

Timeline of key events during the porting application

- 7 October 2019, Mr B called Platform to start the porting process.
- 10 October 2019, initial fact-find took place and affordability confirmed. Advice appointment booked for the next suitable date.
- 22 October 2019, Mr B couldn't take the advice call on this date, so the appointment was rescheduled.
- 5 November 2019, the rescheduled advice call took place. Mr B was sent an application form to complete and return.
- 4 November 2019, Mr B's completed application was received by Platform.
- 3 December 2019, Mr B's application was declined by the underwriters.

Unhappy with the service received, Mr B raised several complaints with Platform during the course of his application. Ultimately, he's unhappy that his porting application was declined. He also complains that Platform didn't take his disability into account and failed to put reasonable adjustments in place to support him with his application. He also raised concerns about Platform's timescales, lack of transparency during the process and other general administration issues.

Platform responded to each of Mr B's complaints. The only point upheld by Platform was in relation to documents being sent to Mr B's previous address in error. Platform paid Mr B £50 compensation for the delay caused in him receiving the documents. Following our involvement, Platform later increased the amount of compensation by a further £100. Mr B's other complaints weren't upheld.

Unhappy with Platform's responses, Mr B brought his complaint to our service. Our

investigator looked into things and didn't uphold the complaint. He thought Platform had fairly settled Mr B's complaint. Mr B didn't accept our investigator's opinion. More information was sought from Platform. By this time, the original investigator had left our service. A second investigator considered the new evidence available and explained why his opinion was along the same lines. Mr B still didn't agree and asked for the case to be referred to an ombudsman. I issued a provisional decision in January 2022. In summary I said:

Lending decision

Platform has a broad discretion whether to lend or not in the circumstances of each application and I was satisfied it acted fairly and reasonably when exercising its commercial judgement when deciding whether to lend to Mr B in line with the rules.

It had concerns about Mr B's intentions for the security property and whether he'd be using it as his main residence on a full-time basis. These concerns arose from what Mr B said about his living and work arrangements and the inconsistent and conflicting information presented during the mortgage application process. The lodger information provided by B during his application did not match the information on the electoral register. Mr B declared one lodger living at the security property, the search results showed two other names.

Given that there was enough to suggest up to three lodgers could be living at the security property and none noted at Mr B's unencumbered property around 100 miles closer to his place of work, I didn't think it was unreasonable for Platform to have concerns that the security property was less likely to be his main residence.

Platform gave its reason for the refusal. Mr B was given an opportunity to challenge. He gave his explanation for the discrepancy, including the fact that he thought Platform used an out of date electoral register record. Platform wasn't persuaded by Mr B's explanation and it wasn't prepared to lend in the circumstances which is a decision it's entitled to make if it's a reasonable one.

Platform wasn't persuaded and, in the circumstances, I didn't think it was unreasonable to place more weight on the results of the searches as there were inconsistencies between what Mr B had said at various times and evidence Platform had found from other sources. When taking everything into account I didn't think it was unreasonable for lending to be declined at underwriting stage.

Timescales

The delay in arranging the advice call wasn't on Platform's part. It had earlier availability but that didn't suit Mr B. Mr B also rearranged the first appointment which further delayed things. So, I couldn't hold Platform responsible in the circumstances.

Platform's timescales for a porting application were 6-8 weeks at that time. This is in line with standard industry practice. After listening to the calls that took place between Platform and Mr B, I was satisfied that Platform made those timescales clear, and that the 6-8 weeks would start on return of the completed application from Mr B.

Platform considered Mr B's application and provided its lending decision within less than two weeks after receiving his completed application which was well within the set timescales.

So, when considering everything I didn't think Platform's timescales were unreasonable or Mr B was misled into thinking his application would be assessed sooner.

Reasonable adjustments

Mr B has Dyslexia. He says Platform failed to take his disability into account and make reasonable adjustments to accommodate him during his application.

From the evidence available, the first time Mr B mentioned his disability to Platform was during the advice call on 5 November 2019. By this point it was too late to make any reasonable adjustments prior to the meeting, such as sending mandatory disclaimer statements to Mr B ahead of the meeting as he's suggested.

I didn't think it was wrong for Platform to proceed with this meeting in the usual way, I did think that once Platform became aware of Mr B's disability on 5 November 2019, it could have done more to understand if he needed any further support with his application from that point on, such as asking if he needed the form completed on his behalf.

Platform said it would consider further support for customers by offering to complete forms on their behalf and allowing email contact as an alternative means of communication. I also thought Platform should personally compensate Mr B for the distress and inconvenience caused by not offering reasonable adjustments to meet his needs.

I thought a compensation award of £200 was fair and reasonable in the circumstances. Whilst there was an element of inconvenience caused to Mr B, he confirmed the pack was completed accurately, and I can see it was returned in a timely manner. So, in the absence of evidence to suggest otherwise, it appears Mr B was still able to submit his application in the usual way and within reasonable timeframes. Therefore, I was satisfied the award adequately reflected the inconvenience caused and any impact on Mr B.

Costs incurred

The first redemption statement request (for the 10% overpayment purpose) was delayed because the solicitor's letterheaded was illegible. The request had to be resubmitted which was reasonable in the circumstances as Platform needed to be sure it was issuing personal information about Mr B's account to an authorised party.

Mr B requested further redemption statements for completion purposes. As per Platform's tariff of charges, additional redemption statement requests are charged at £25 each. Platform was entitled to apply this charge in line with the mortgage terms, but I didn't think it was fair to charge twice in the first instance when the solicitors request had to be resubmitted.

Because Mr B wasn't willing to pay the additional charges, he was advised by his solicitor to overpay and wait for a refund post completion. Mr B complains about how the refund was processed. As Mr B chose to proceed in the way advised by his solicitor, I couldn't hold Platform responsible for any consequences as a result.

The associated porting fees were set out during the initial calls that took place. Mr B was told how much the porting and valuation fees were and that once payable on application the fees would be non-refundable. Mr B called Platform in Mid-November 2019 asking to pay the valuation fee early to expedite the process. Platform explained that paying the fee would be at Mr B's own risk, as his application form had only just been received and not yet vetted. Mr B still chose to proceed.

Whilst valuation was delayed for reasons outside Mr B's control, this didn't cause any detriment to the application. Mr B received his declined lending decision around two weeks before he completed on the sale of his property. The application was never going to be

accepted in the circumstances so porting and completing at the same time was never going to be possible. As such, any delays caused by Platform had no impact in the circumstances.

Ancillary points raised

Platform said that it was unable to comment on the email sent to Mr B by its solicitor which was meant for internal purposes. I explained why I didn't think was unreasonable in the circumstances as the error hadn't been made by Platform. In addition, the content of the email was not inappropriate as Mr B has described – so not something that would cause Platform any concern about the conduct of its appointed representative. This was a mere general conversation between colleagues including nothing of an inflammatory nature or a breach of data.

Platform accepted that it incorrectly returned Mr B's porting documents to the wrong correspondence address. It offered to pay Mr B £150 compensation for the mistake. The documents couldn't be returned until the after the porting application had been fully considered. The application was declined in early December 2019. Mr B updated his address details in Mid-December following the sale of his property. Whilst there was some delay caused, the documents did eventually reach Mr B around a month later. Mr B hasn't said he was significantly impacted as a result of the delay, so I thought £150 was fair and reasonable in the circumstances and adequacy reflects the delay caused.

My provisional decision was that Platform should:

- Pay Mr B a further £200 in addition to the £150 already offered; and*
- Refund Mr B £25 (if this was charged) at the time of asking his solicitor to re-submit its first redemption statement request.*

Both parties responded to my provisional decision. Platform accepted my provisional findings, Mr B didn't.

In summary Mr B said that whilst he accepts it's ultimately Platform's decision whether to lend or not, he didn't think it was fair to wait until the associated fees had been paid to decline his application. Especially as the underwriters were consulted on various occasions during the application process, so there was plenty of opportunity to have queried these matters sooner.

Mr B elaborated on his living and lodger arrangements further and has explained why he feels the outcome of his application was impacted by the lack of reasonable adjustments made to support him during the process. Mr B also disagrees that the porting timescales and associated costs (including the redemption fee charge) were made clear to him in advance of them being paid.

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.

Having done so, I've reached the same conclusions as set out in my provisional decision and for the same reasons.

Mr B has raised various points in response to my provisional decision – some of which is repeating what he said before which I've already been considered. Mr B has provided many reasons why he's dissatisfied with Platform's service. But ultimately, he's unhappy that his porting application was declined, and he wasn't given a lending decision sooner.

I've given careful consideration to all the submissions made to date, but I won't address each and every point that has been raised. I'll focus on the matters that I consider most relevant to how I've reached my decision – in keeping with the informal nature of our service.

I appreciate Mr B says that his circumstances had not changed since the time of his initial application with Platform. Whilst that may be the case, each application is considered on a case by case basis. For the reasons explained in my provisional decision, I'm satisfied Platform fairly exercised its discretion whether to lend to Mr B on this occasion.

The application was declined because the underwriters had concerns Mr B would not be using the security property as his main residence – a key requirement for a residential mortgage. The underwriters assess each application from a risk perspective. When considering various factors, including the information given by Mr B during his application and the search results obtained, Platform decided not to lend as the risk was one it wasn't willing to take on this occasion. As mentioned, lenders have a broad discretion when making lending decisions and for reasons I've explained in my provisional decision, I don't think Platform made an unreasonable decision in the circumstances when taking into account everything it knew at the time.

In my provisional decision I considered Mr B's concerns about not being able to discuss his situation with the underwriters directly – but I'll expand on this further for his benefit. I agree that during the application process the staff Mr B spoke to, checked with the underwriters whether Mr B's certain circumstances were acceptable for the application to proceed. A final lending decision will only be made once the full application has been submitted after considering all the supporting documents provided, including things like, but not limited to – the application itself, the valuation report, searches, payslips and bank statements etc. So, I'm satisfied Platform followed the usual lending process by assessing the full application at underwriting stage.

When Mr B was told his application had been declined, he was given the chance to explain his circumstances and the situation with the lodgers further. The underwriter revisited the application, but their decision remained unchanged. Mr B is unhappy that he couldn't speak to the underwriters directly himself. Underwriting teams are not customer facing staff and will not make direct contact with customers as this amounts to a conflict of interest. In this case, all questions and discussions were handled by the relevant team and Mr B's comments were passed to the underwriter as I'd expect. So, I can't say Platform did anything wrong in the circumstances.

The final lending decision was made taking into account all the information available at the time. Mr B has continued to provide further information about his and his lodgers circumstances during the course of his complaint. It's not my role to consider any new information to decide whether the application should have been accepted or not. I must only consider whether Platform made a reasonable lending decision at the time based on what it knew at the time. For the reason I've explained, I think it did.

Mr B still contests that the porting timescales weren't made clear to him. As per my provisional findings, I've explained why I'm satisfied clear information was given about Platform's timescales – which were in line with standard industry practice. I provided a timeline of events and explained why I didn't think Platform was responsible for the delays in arranging the advice appointment. I've also explained why it would not be logical to start the process any sooner than on receipt of application - once Mr B's application had been returned Platform provided its lending decision within a reasonable timescale. So, I'm satisfied this matter has been adequately addressed.

Mr B asks why he wasn't given the opportunity to complete the application form himself prior to the advice meeting to reduce the delay. This is not a lender's process. An advice meeting is just that – a meeting to receive advice about suitable mortgage products. It's after that point a customer is sent an application form to complete based on what was discussed. I wouldn't expect Platform to alter its process. In any event I don't think the timescales were impacted by this as the advice meeting would still need to take place which was delayed by Mr B and once that meeting took place, Platform issued its lending decision within reasonable timescales.

Mr B says his application was refused because Platform didn't provide the right support during the process. I had provisionally decided that Platform could have done more in the circumstances to accommodate Mr B's needs. But I don't think Mr B's application was refused as a result. I've referred to the medical assessment evidence provided by Mr B and relied on the information he gave about his ability to complete his application form. Mr B has said that he was able to complete his application form accurately, I've also seen that he's been able to articulate himself well during this complaint.

These factors influenced my decision when deciding a fair and reasonable level of compensation when considering the impact on Mr B. But I don't think these circumstances impacted Platform's lending decision. I've set out the reasons behind Platform's concerns about Mr B's intentions for the security property, this was based on a combination of what he said during his application and the evidence revealed from the searches. I'm not persuaded any additional support would have changed things in the circumstances.

As explained a lending decision is only made at underwriting stage of the process, not before. Mr B met the criteria to proceed with an application but at underwriting stage, when considering everything, the underwriter declined the application. To get to this stage all the associated fees needed to be paid upfront and as explained to Mr B these were non-refundable. So, I didn't think Platform wrongly charged the valuation or porting fee or that they should be refunded.

I did decide that, if charged, Mr B should be refunded the fee for the duplicate redemption statement when the solicitor needed to resubmit its request. But Platform was acting in accordance with its terms when requesting a fee for any further requests. Mr B was sent a letter about the important changes to his tariff of charges in May 2019 which included the introduction of an 'additional redemption statement fee' of £25. Platform has sent a system screen shot showing the letter was sent. Having read this letter, I can see it was addressed correctly so I think it was most likely correctly delivered. So, I'm satisfied Mr B was made aware of the important changes to his account.

I appreciate there were some delays caused on Platform's part when arranging the valuation and processing some administration, but for reasons I've explained this did not impact Mr B's application in any way. Whilst I appreciate there was an element of inconvenience caused to Mr B by having to call Platform to rectify matters, the issues were resolved within reasonable timescales and I think the amount of compensation awarded acknowledges the overall inconvenience caused.

On a final point I'm unable to comment on the action of HMRC and how it classified Mr B's property for stamp duty land tax purposes.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint direct The Co-operative Bank Plc trading as Platform to:

- Pay Mr B a further £200 in addition to the £150 already offered; and
- Refund Mr B £25 (if this was charged) at the time of asking his solicitor to re-submit its first redemption statement request.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 28 March 2022.

Arazu Eid
Ombudsman