

The complaint

Mr B and Ms H complain that HSBC UK Bank Plc caused delays with their re-mortgage. They ask for compensation. Mr B has dealt with the complaint throughout.

What happened

Mr B and Ms H applied to HSBC for a mortgage and received a mortgage offer at the end of July 2020. The mortgage completed on 23 September 2020. Mr B says it should have completed before this. He set out where he believes unnecessary delays happened. Mr B and Ms H's previous mortgage was more expensive than the mortgage they took out with HSBC. They ask that HSBC compensates them for their additional costs due to the delay in re-mortgaging – about £3,500.

HSBC said there had been poor communication at times, but this hadn't caused delays. It offered £300 compensation.

Our investigator also said that HSBC hadn't caused avoidable delays. He said while HSBC had asked Mr B for information he'd already provided, its offer of £300 for poor service was fair.

Mr B and Ms H didn't agree. Mr B pointed to errors by HSBC and its solicitor. He said the solicitor didn't pass information to HSBC promptly. He was asked for information he'd already provided. And the solicitor didn't request a redemption statement from his previous lender as soon as it could have done.

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.

HSBC says it expects to complete a mortgage within six to eight weeks of issuing a mortgage offer. This isn't guaranteed. HSBC issued a mortgage offer to Ms B and Mr H on 30 July 2020 and their mortgage completed on 23 September 2020, less than eight weeks later. HSBC also told Mr B and Ms H it can take 10 days from receipt of correctly completed documents to complete the mortgage.

Mr B and Ms H's re-mortgage wasn't standard. HSBC doesn't usually offer mortgages where customers had bought the property less than six months before – as was the case here. There had been a change of use of the property from commercial to residential (which was the reason for the re-mortgage). This required additional legal work as compared to a standard re-mortgage.

HSBC says it didn't cause delays, and the mortgage completed within its usual timescales.

Mr B looks at the matter differently. He says HSBC and its solicitor didn't act on information in a timely manner. He set out instances where he says HSBC and/or its solicitors should have dealt with a matter more quickly. He says had they done so, the mortgage would have completed sooner and he'd have paid less to his previous lender. Mr B says this mismanagement delayed completion by 26 days.

Mr B set out in detail where HSBC or its solicitors could have acted more quickly. He set this out clearly in his letters and emails, and in email exchanges with our investigator. Mr B provided evidence to support the points he makes. I've read what Mr B has said and I understand the points he makes. I can see that if HSBC and its solicitor had at each point acted more quickly when information was provided the mortgage might have completed sooner.

The daily cost of Mr B and Ms H's previous mortgage was significantly more than the HSBC mortgage. I appreciate that they wanted to complete the re-mortgage as soon as possible. And they did what they could to achieve this.

HSBC made some errors here. In late August 2020 Mr B was asked for information which he'd already provided to the solicitors. However, the solicitors provided this (and other information) to HSBC the same day. So while Mr B was inconvenienced, I don't think this caused delays.

Also in late August, HSBC asked the solicitor for information which it had provided two days earlier and the solicitor re-sent the information. Mr B says this caused a delay. However, the information was first sent to HSBC on 26 August 2020 and HSBC confirmed the solicitors could proceed with the mortgage on 4 September, six working days later. Despite the error, I don't think this response time was unreasonable.

The solicitors requested a redemption statement from Mr B and Ms H's previous lender on 10 September. The lender sent a statement which said it was an indicative statement only and not to be relied on for the purpose of redemption. It said it would issue an updated statement once "interest roll has taken place on 14 September 2020". The solicitors received a redemption statement on 17 September 2020.

Mr B says HSBC's solicitor should have asked for the redemption statement earlier. He says redemption statements are "available 24 hours" upon request from his previous lender. That doesn't seem to have been the case here as the previous lender said HSBC would have to wait until after 14 September 2020. I don't know if the previous lender would have provided a redemption statement earlier if the request had been made earlier, or if HSBC would still have had to wait for the "interest roll" on 14 September. But, as I said, what I'm looking at is whether HSBC caused unreasonable delays and I don't think that was the case here. While the solicitors could have asked for a redemption statement a few days earlier I don't think there was an unreasonable delay in them doing so.

I appreciate what Mr B says, in that the re-mortgage could have happened earlier if HSBC and its solicitors had acted more quickly in each of the examples he provided. However, I have to be fair to both parties. I need to take into account that HSBC (and its solicitors) would have been dealing with applications from other customers. I don't think it's reasonable to say that HSBC or its solicitor had to take action immediately when information was provided. What I'm considering here is whether HSBC acted within a reasonable timescale, or whether there were unreasonable delays with Mr B and Ms H's re-mortgage.

Having carefully considered what Mr B has said, I don't think HSBC or its solicitors took an unreasonable amount of time to respond or act on information. I don't think the overall time taken to complete the mortgage was unreasonable. It follows that I don't think it's fair and

reasonable to require HSBC to pay compensation to Mr B and Ms H for the costs of their previous mortgage.

HSBC accepts that Mr B was asked for information that he'd already provided and there was poor communication at times. Mr B and Ms H were caused inconvenience and frustration by this and I think it's right that HSBC pays compensation. I think its offer of £300 is fair and reasonable in the circumstances.

My final decision

My decision is that HSBC Bank UK Plc should pay £300 to Mr B and Ms H, as it offered to do, unless of course it's already paid this.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Ms H to accept or reject my decision before 10 March 2022.

Ruth Stevenson
Ombudsman