

## **The complaint**

Mr S complains that the failure by London and Country Mortgages Ltd (“L&C”) to respond to his communications meant that he missed out on a more favourable interest rate product than the one he eventually took out. Mr S wants to be compensated for the £1,507.60 being the extra interest he has had to pay because of his mortgage being on the higher interest rate product.

## **What happened**

In the summer of 2020, Mr S got advice from a mortgage broker at L&C who recommended a mortgage product to him to replace the existing one which was coming to an end. The interest rate on this product was 1.82%. Mr S says that he was generally happy with the product recommended but had a remaining query as to whether the product had any up-front charges and says that he had to wait from 26 July 2020 until 2 September 2020 for a response. This meant that when L&C finally got around to processing his application on 17 September that the recommended product had been withdrawn and he had to accept one with a higher rate of interest.

L&C said that it had difficulties in the summer of 2020 with a new phone line installed to assist with working through the Coronavirus Pandemic. But it had responded to Mr S’s questions by email. It noted that the mortgage product that Mr S wanted had been withdrawn from the market on 27 August and Mr S hadn’t been told that until September and had been led to believe that it was still available. By way of apology for this L&C offered compensation of £100.

Our investigator’s view was that there were points from each party where communication could have been swifter in response. He thought that it was reasonable for another member of staff to have assisted Mr S when his original adviser wasn’t in the office for a period and that the original advisor could have managed Mr S’s expectations better when he returned to the office. Our investigator recommended compensation of £200 for Mr S’s distress and inconvenience. Mr S disagreed saying in summary that the compensation on offer didn’t represent what he had lost and asked for a review.

## **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.

This is a complaint where Mr S is saying that the delay by L&C in responding to his queries meant that he missed out on an interest rate that was available in July and most of August and then withdrawn by the lender at the end of August. In the background was the Pandemic as Mr S worked in a very stressful job with difficulties in communication whilst L&C seem to have struggled with a phone system put in place to meet a changed working environment.

L&C produced a mortgage recommendation for Mr S on 6 July and Mr S responded on 26

July with two queries via email, one related to whether there were any fees on top of the repayments and the other related to the mortgage term. It seems that shortly afterwards the mortgage advisor and Mr S tried to make contact as the advisor was off the following week. In the absence of contact by phone he answered one of Mr S's questions but not the other one. There the matter seems to have remained until contact was resumed in September when the lender had withdrawn the mortgage product that Mr S had hoped to get.

One of the difficulties in these types of cases is that no one knows how long the product is available for as lenders can and do withdraw their products at any time. Neither Mr S nor L&C had a cut-off date that they were working to. Things seem to be set up at the end of July to make an application but for Mr S one query remained. The answer I assume would be in the KFI and the advisor may well have overlooked it. That's unfortunate and I would have thought that the adviser should have given Mr S another point of contact whilst he was away. But it also seems that if there was only one question remaining before Mr S made his decision that Mr S might have tried to make further contact with L&C.

I agree with our investigator to uphold this complaint as Mr S wasn't provided a point of contact or told in September that the rate was no longer available. Compensation of £200 seems fair. But I don't consider that it's fair to hold L&C responsible for Mr S missing the deadline for the interest rate change. L&C would simply not have known when that change was going to occur and so it's unfair to hold it responsible for Mr S missing a deadline that it was unaware of. Indeed, if Mr S had responded quicker to the original recommendation, he might have been able to get the product he wanted. But again, he was not to know when the change to the interest rate on the mortgage product was coming. So, I can't fairly uphold that part of the complaint which means I won't be awarding the further compensation that Mr S would like me to award.

### **Putting things right**

London & Country Mortgages Ltd should pay Mr S £200

### **My final decision**

My decision is that I uphold this complaint and require London and Country Mortgages Ltd to pay Mr S £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 8 September 2022.

Gerard McManus  
**Ombudsman**