

The complaint

Miss F complains that London and Country Mortgages Ltd took too long with her mortgage application. She says it was rude to her. Miss F asks that L&C refunds its fee and pays compensation.

What happened

Miss F took mortgage advice from L&C. It made a right to buy mortgage application to a lender on her behalf in May 2021. This was declined in July 2021 due to concerns about affordability. It applied to another lender on Miss F's behalf. This lender had severe delays with mortgage applications, which Miss F was told about. It initially declined the application and L&C appealed on Miss F's behalf. Miss F received a mortgage offer in January 2022 and the mortgage completed in March 2022.

Miss F says she had to pay rent during this time. The delay meant the five-year period after which she can sell the property without having to repay any part of the right to buy discount started later than it should have. Miss F says she had to re-send documents and L&C's staff were rude to her. She says she was dealing with a number of stressful situations and problems with the mortgage application added to this.

Our investigator said while the application took longer than usual this wasn't due to errors by L&C. She said there was no evidence of it being rude to Miss F.

Miss F didn't agree. She said she was asked for documents repeatedly and sent emails she said supported this.

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.

Miss F has told us about the difficulties she's had to deal with, including a bereavement, a neighbour dispute and her work during the pandemic, and how this has affected her. I'm sorry for what Miss F has had to deal with. I can understand that delays and worries about her mortgage application added to this.

Miss F took mortgage advice from L&C in April 2021 and received a mortgage offer in early 2022. There's no doubt her application took longer than usual. It doesn't necessarily follow that L&C caused the delays or treated Miss F unfairly.

Miss F's first application was made in May 2021 and declined by the lender in July 2021. I don't think L&C could reasonably have known the lender would decline Miss F's application.

L&C recommended a mortgage with another lender in July 2021. There were some issues with affordability – the lender said it would only consider a smaller loan amount. The application to the second lender was made in August 2021 and it issued a mortgage offer in early January 2022.

When L&C recommended the mortgage it sent an email to Miss F saying that the lender was experiencing severe delays, taking an average of 60 days. It said it wasn't allowing brokers to escalate applications. And if Miss F was concerned about this she should let it know. L&C also said the lender would ask for documents which Miss F would need to upload to the portal. I think L&C made Miss F aware that she'd need to provide further documents as requested by the lender, and that there could be delays. Miss F didn't say she'd prefer to apply to another lender.

L&C says the lender requested further documents, as it's entitled to do. It says the lender also asked for documents it had already provided. It says it challenged the lender when this happened. The lender took a long time to assess Miss F's application – even allowing for the delays L&C warned her about – and I understand she's upset about this. L&C says the main reason for this was that Miss F's income came from several sources (two jobs, child benefit/tax credits and maintenance payments). Also, Miss F took time off work during the application process due to a bereavement, and there was a delay while her income returned to normal and could be evidenced by her payslips.

The lender asked for updated documents during the application process. This was inconvenient for Miss F who says she was providing updated documents each month. But the lender was entitled to ask for up to date documents, and it was right for L&C to ask Miss F to provide them. Most likely, if it hadn't received the documents, the lender wouldn't have offered Miss F a mortgage.

The mortgage offer expired in February 2022 at which point a new product had to be chosen. The legal process was more complicated than usual as Miss F was following a right to buy process. Miss F had to pay the deposit money to the solicitor prior to completion and was worried about this. This must have been a stressful time for Miss F. But L&C wasn't responsible for the legal process, which is dealt with by solicitors. I don't think it's fair to say that L&C was responsible for any delays or difficulties with the legal process or completion.

I've read the emails Miss F provided and I don't think that L&C staff were rude to her.

L&C upheld Miss F's complaint about its portal, which she had difficulty using, and offered £100. L&C gave Miss F the option to send documents to the customer care team who could load them to the portal on her behalf. Miss F sent documents to the complaints team. They replied asking her to send them to the customer care team. Miss F found the emails upsetting, but I don't think the emails were intended to be rude or upsetting. I think L&C's offer of £100 for the problems Miss F had using the portal is fair and reasonable.

This was a stressful time for Miss F. I'm sorry her mortgage application process took a long time. But, based on the available evidence, I don't think I can fairly find that this was due to errors by L&C. Overall, I don't think L&C treated Miss F unfairly. It follows that I don't think it's fair and reasonable to require it to pay further compensation to Miss F.

My final decision

My decision is that London and Country Mortgages Ltd should pay £100 to Miss F, as it offered to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 6 September 2022.

Ruth Stevenson
Ombudsman