

The complaint

Mr and Mrs P complain that they were wrongly advised by Trussle Lab Ltd, and because of this, they ended up paying much more for their mortgage.

What happened

This complaint is brought by both Mr and Mrs P, as the mortgage is in both their names. But our dealings have been with Mr P. So I'll mainly refer to him in this decision.

Mr P said he used the brokerage services of Trussle to apply for a mortgage in December 2021, with a bank I won't name here (I'll just refer to it as "the bank"). He secured an offer in December 2021, which was valid until 30 June 2022. But then his house buying plans changed, and he asked Trussle if the bank would transfer its offer to a new property.

Mr P said that in late April, Trussle said the bank had agreed to transfer its offer to their new property. But then, a little over two weeks later, it told Mr P that the bank wouldn't do this, and he couldn't keep the same rate after all.

Mr P said in this time interest rates had increased dramatically, and he would now be faced with paying thousands of pounds more, over the fixed period of five years. Mr P said that if Trussle had accurately informed him that the bank would be unreliable or unlikely to proceed with the product for the new property, he would have chosen a different product. Mr P suggested he could have obtained a rate of 1.52% fixed for five years. But he said he ended up with 2.29% over five years. Mr P wanted Trussle to pay the difference.

Trussle said it had tried to overturn the bank's decision, but without success. It was sorry that it hadn't been able to help him. But it didn't think this was its fault.

Our investigator didn't think this complaint should be upheld. She said the information the bank first gave Trussle wasn't correct, as it wasn't able to transfer Mr P's offer to a different property. When the bank told Trussle this, it suggested Mr P could explore another option, and asked if he wanted to stay with this bank or look at another lender. Trussle then logged a complaint for Mr P with the bank, and with its own complaints department.

Our investigator said Trussle was doing all it could to try to help. It got in touch with the bank in early May, asking for help to keep the rate he'd originally been offered. And it suggested Mr P could secure a current mortgage product to protect against any further rate rises. But the bank still refused to transfer its offer to a different property.

Our investigator said it wouldn't be fair to hold Trussle responsible for the bank's decision not to honour the 1.52% rate.

Later in July 2022, Trussle became aware that the bank had actually upheld Mr P's complaint. It had decided to reinstate Mr and Mrs P's mortgage offer, and apply it to their new property, because it had told Trussle that it would do so. The bank had written to Trussle, apparently on 9 June 2022, to say it would extend Mr P's offer to 24 June.

But Trussle said it didn't find out about this until it was too late. It said it didn't receive this letter. And it didn't receive any follow-up call either, although the letter said the bank would be in touch with Trussle shortly to see if Mr P still wanted to take up this offer.

Our investigator said that if Trussle knew in June that the bank was going to extend its offer after all, she thought it would have been in touch with Mr P. That's because the broker would get paid commission by the bank if the mortgage then completed (and wouldn't, if it didn't complete).

Our investigator didn't think Trussle had done anything wrong.

Mr P didn't agree. He said we hadn't looked at why Trussle kept his mortgage application open (which he said then meant the bank recorded a hard credit search on the credit files of himself and his wife). And he said that any follow-up by Trussle would have revealed that the bank wanted to honour the rate that was initially agreed upon.

Mr P thought Trussle was more interested in selling products at a higher rate than securing the lower rate that he and Mrs P wanted. And Mr P said our investigator hadn't explained how such an important message (the confirmation that the initial offer would be honoured) got lost on its way.

Mr P said he wanted this complaint to be considered by an ombudsman.

Our investigator said that our service couldn't look into complaints about the mortgage application remaining open, or a hard credit search being completed on Mr P's file, or how exactly the message got lost, as Mr P hadn't complained about these things to Trussle.

This case was then passed to me for a final decision.

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.

I've reached the same overall conclusion on this complaint as our investigator.

Before I start, I'd like to clarify what I am looking into. Mr P's original complaint was that he was misadvised by Trussle, and that's why he'd ended up with a higher interest rate on his mortgage. When our investigator didn't uphold that complaint, Mr P said we hadn't looked into a number of other issues. Our investigator said that Mr P had to complain about these things to Trussle first.

I think our investigator was right to say that if Mr P wanted to know why his application had been kept open he should ask Trussle about that in the first instance. But on how this message got lost, I do think our service can consider if Mr P ended up with a higher mortgage because Trussle let him down in some other way – here, by failing to action a letter saying his offer could be extended, after all. And I think our investigator did reach a view that this was unlikely to be Trussle's fault. She said that Trussle had a very strong interest in telling Mr P about this, if it had been aware of the letter the bank sent.

I've read the emails that Mr P exchanged with Trussle, and I can see he notified Trussle that he was very cautious about financial matters. He wanted to be reassured that the bank he was applying to wasn't likely to reject customers arbitrarily. Trussle reassured him on this.

It appears from Mr P's initial complaint to us, that he thinks Trussle should perhaps have suggested a different lender, but I don't think Trussle had any reason to suspect, either at this point or later, that things were going to go wrong for Mr P.

Mr P's purchase unfortunately then fell through. He found somewhere else to buy relatively quickly, and he wanted to transfer the mortgage offer to a different property. Trussle said it would ask the bank.

The bank didn't have to do what Mr P wanted – the mortgage offer he got makes clear that *"Changes to any of the information you have given us could alter the information in this offer."* But the bank initially said it could transfer Mr P's offer to a new property. It then said it couldn't do this, after all.

Again, it appears that Mr P thinks he should have been warned about possible problems at this stage, by Trussle. But I'm satisfied that Trussle only passed on to Mr P information that it received. It isn't responsible for the bank's mistake here, and I don't think it could have anticipated it. I can also see that Trussle did then try to help make sure Mr P's purchase stayed on track, by suggesting other mortgage offers he could take up.

Because Mr P was unhappy, Trussle lodged a complaint for him with the bank. It doesn't look like Trussle anticipated that the bank would contact it, not Mr and Mrs P, with its reply, but that's what the bank apparently did.

Mr P wanted us to investigate what happened to this letter. I don't think we're ever likely to know exactly what happened – there's no suggestion that the letter was sent recorded delivery, so there's no way to be sure if it was delivered or not. So I've got to weigh up what's most likely to have happened.

We do know the letter was sent by post, only, although Trussle normally communicates with this bank by email. We also know that the bank used the right address. Most post which is sent, is successfully delivered. But there's nothing to show that, here – Trussle says it has no record of receiving this. And as our investigator said, it seems very unlikely that Trussle would ignore a letter which would allow it to sell a mortgage to someone (and gain the associated commission). Especially when, as here, that person otherwise looked unlikely to use its services.

So, on balance, and considering all of the above factors, I think it's most likely that the bank's letter extending its offer just wasn't received by Trussle. I don't think it's most likely that what has gone wrong here is Trussle's fault, and I don't think I can fairly and reasonably hold Trussle responsible for the fact that Mr and Mrs P weren't aware at the time that the bank had extended their offer.

I know that Mr and Mrs P will be disappointed, but I don't think this complaint should be upheld.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P and Mr P to accept or reject my decision before 15 December 2022.

Esther Absalom-Gough
Ombudsman