

## **The complaint**

Mr B complains that UCB Home Loans Corporation Ltd caused delays with a planning application. He asks for compensation.

## **What happened**

Mr B applied for planning permission to build houses on part of his land. He says it took six years to get planning permission and he had to pay the council more than £100,000. Mr B says he wanted to sell his property with the benefit of planning permission and, because of boundary changes, had to do this before the end of March 2022.

Mr B contacted UCB at the end of January 2022. The council required a “section 106 agreement” (broadly, an agreement that a developer makes a contribution to local amenities to offset the effect of the development). As the land to be developed was included within UCB’s charge the council wanted UCB to sign the section 106 agreement as well as Mr B. Mr B sent documents by email at the beginning of February 2022 and his solicitor wrote to UCB with the draft agreement on 11 February 2022.

UCB says it wrote back to the solicitor on 1 March 2022 asking for information, which it says it didn’t receive. Mr B said his solicitor didn’t receive the letter from UCB.

UCB didn’t uphold Mr B’s complaint about how it dealt with his request to sign the section 106 agreement, but said its investigation into Mr B’s complaint had taken too long and it would send a cheque for £75 for this.

Our investigator said while UCB wasn’t responsible for all of the delays, it was responsible for some of them. He said it should pay £200 compensation, which UCB agreed to do.

Mr B didn’t agree, saying:

- UCB could have released part of his land from its security. He said it shilly-shallied around for months, and nearly cost him the sale of the land.
- Due to UCB’s delays he had to take alternative action which cost him about £19,000.
- He still hadn’t received the £75 cheque from UCB.

## **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.

Mr B sent emails to UCB at the end of January and beginning of February 2022. He provided documents related to the planning consents and section 106 agreement, saying UCB’s signature was needed to finalise the planning permission. Mr B said he’d appreciate a fast response as he had a client waiting to buy the property. Mr B’s solicitor sent a letter with the draft section 106 agreement to UCB on 11 February 2022.

UCB provided notes of its calls with Mr B. In late January 2022 it told Mr B it wouldn't consent to building on the land. In early February 2022 Mr B called to say he was trying to get planning consent for six houses before selling the property. UCB gave him an email address to send documents for review. It confirmed a couple of days later it had received Mr B's email and he should wait for a response from the relevant team. Mr B called and emailed during February 2022 and was told to wait for a response.

UCB sent a letter to Mr B's solicitor on 1 March 2022 which said: there was no plan attached to the draft agreement the solicitor had provided and it needed a colour plan to be provided; it required amendments to the clause related to its obligations; and as the property was to be sold with planning consent before development commenced the mortgage would have to be redeemed. It said once it received a response the matter would be referred to its legal department and valuer. Mr B says the letter wasn't received. UCB sent another letter direct to Mr B with the same information on 22 April 2022. Mr B says this letter wasn't received until May 2022.

Mr B's solicitors asked for a redemption statement as at 18 March 2022. Mr B says this wasn't provided. UCB says it sent the redemption statement to the solicitor.

Mr B was concerned about losing the planning permissions. He says he'd have been unable to sell the property after the end of March 2022 due to boundary changes. And he says he had a buyer for the property. I appreciate Mr B wanted to move matters forward quickly.

However, I think it was reasonable for UCB to review the documents before deciding whether to sign the section 106 agreement. This would affect its security and UCB would have obligations under the agreement if it took possession of the security property. I think it's reasonable for UCB to request a complete agreement with a colour plan attached, even if Mr B had previously sent a plan by email. And I think it was entitled to request changes to the clause related to its obligations.

While it was unfortunate Mr B's solicitor didn't receive UCB's letter dated 1 March 2022, I can't fairly say that UCB was responsible for the letter going astray. Similarly, I don't think I can fairly say UCB was responsible if the solicitor didn't receive the redemption statement.

Mr B has received planning permission. He says UCB should pay the costs he incurred due to UCB failing to answer his calls or communicate with him, despite knowing the time constraints he was working under.

I would only find it reasonable to require UCB to compensate Mr B for his costs if these were incurred due to an error by UCB. I don't think that's this case here.

I don't think UCB caused significant delays. Mr B first contacted UCB in relation to the section 106 agreement at the end of January 2022. UCB wrote to Mr B's solicitor on 1 March 2022. It did communicate with Mr B during this time, albeit to tell him he'd have to wait for a response. UCB's notes show the matter was escalated internally in mid-February 2022, after Mr B chased for a response. Any delay caused by not escalating the matter sooner would have been short, and the matter was escalated only a few days after Mr B's solicitor had written to UCB. Our investigator said UCB could have chased Mr B or his solicitor for the information. This would have been good customer service and might have helped move matters forward. But I don't think, on balance, this would have changed the outcome.

UCB required a change to the clause in the section 106 agreement related to its obligations. Its process involves a review by the legal team and valuer. It's not clear if this would have been completed within the short timeframe Mr B described, even without any avoidable delays. It's not clear from the available evidence if the changes required by UCB would have

been accepted by the council, or agreed within the available time.

I understand why Mr B took an alternative route. From what he's said, he'd spent considerable time and money applying for planning permissions. He made a decision to take alternative action despite the cost to ensure this was achieved. But I don't think this was necessary because of errors by UCB. This was due to the time constraints Mr B was working within.

Mr B says he had to pay the council's legal and monitoring fees and well as contributions to local facilities required by the section 106 agreement and his own legal fees. I don't think these costs are due to any error by UCB. These are the costs Mr B incurred to obtain the planning consents he wanted. I don't think it's fair and reasonable to require UCB to compensate Mr B for the costs he incurred so that he could sell his property with the benefit of planning consents.

UCB agreed with our investigators recommendation that it pay £200 for a delay in February 2022 and some poor service. I appreciate that Mr B feels strongly about this. But for the inconvenience and upset caused, I think this is fair and reasonable.

UCB offered £75 to Mr B for delays investigating his complaint. As this relates to complaint handling (which isn't a regulated activity and not, therefore, something I can look into) I leave it to Mr B to decide whether to accept the offer. Mr B should contact UCB if he hasn't received the £75 cheque.

### **My final decision**

My decision is that UCB Home Loans Corporation Ltd should pay £200 to Mr B, if it hasn't yet done so.

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

Ruth Stevenson  
**Ombudsman**