

The complaint

This complaint is about delays N says it experienced when it asked Topaz Finance Limited, trading as Rosinca Mortgages (“Rosinca Mortgages”) to approve an agreement it had made with developers in relation to Right of Light.

What happened

On 15 November 2021, N contacted Rosinca Mortgages seeking approval for an agreement it had made with property developers. The agreement involved offering compensation for Right of Light and N told Rosinca Mortgages that the third-party solicitor had requested their approval before it would finalise the agreement.

N says Rosinca Mortgages was aware an agreement needed to be reached quickly as it had already got a buyer. But Rosinca Mortgages did not provide an answer and N had to contact it regularly to find out what was going on. N says it wasn't receiving a response and eventually the buyer pulled out and it was possible the developers would also pull out. N decided to redeem the mortgage to avoid the need for Rosinca Mortgages' agreement. N says it had to pay administration costs and legal fees it could have avoided if Rosinca Mortgages had acted sooner.

Rosinca Mortgages looked into N's concerns and agreed there had been some errors in their handling of the query. They said the delays N experienced were unavoidable due to the legal nature of the query, but they accepted they should have kept N up to date and that some of its emails went unanswered. For this, they apologised.

N thought Rosinca Mortgages should do more to put things right. So, the case was brought to this service and an investigator looked into N's concerns. Our investigator agreed with the findings Rosinca Mortgages reached but felt that it should award compensation of £150 for the inconvenience caused to N.

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.

Having done so, I think N's complaint should be upheld, but I can't award the sum N is hoping for. I'll explain why.

As I've said above, N initiated the request on 15 November 2021. And looking at Rosinca Mortgages' records, it appears the request was initially acted on quickly. Within two days they went back to N to ask for more information and also passed the query on to their legal team the same day. I can see that N responded within two days also, but as it hadn't heard anything back over two weeks later, it asked Rosinca Mortgages for an update.

A few days later, information requested by the legal team was forwarded to N's solicitors.

It seems N may not have been aware of all of the correspondence between its solicitors and Rosinca Mortgages. Specifically, that the legal team at Rosinca Mortgages responded to the Right of Light request but had some additional points it wanted agreed before it finalised things. On the other hand, it appears N's solicitors felt Rosinca Mortgages had not covered everything they needed them to.

N continued to chase Rosinca Mortgages but was given limited information about what was happening and on 30 December 2021, it was informed a number of staff would be on annual leave until the new year.

By 13 January 2022, N still hadn't received an update, so it had to get in contact with Rosinca Mortgages again and was understandably more frustrated.

The next day, on 14 January 2022, Rosinca Mortgages explained that the email it had received from N's solicitors on 9 December 2021 didn't address the additional points they'd raised and that they could not take the request any further without that. A letter was then sent to Ns solicitors requesting its agreement.

It seems by this point N had decided to take the matter elsewhere and a redemption statement was requested on 4 April 2022 and the mortgage was redeemed later the same month. So, the Light of Charge agreement is no longer required, but N says it lost a significant amount of money in administration costs and solicitor fees due to the delays caused by Rosinca Mortgages.

I've thought about this carefully, but I don't think Rosinca Mortgages is entirely responsible for the delays N experienced. It seems both parties were expecting more information from each other and ultimately, legal matters can take longer to resolve than other standard transactions. Rosinca Mortgages had a right to ensure it was happy with the agreement N had offered the property developers because it had a 30% interest in the property in question.

That said, it's clear Rosinca Mortgages should have been more proactive in letting N know what was happening. This may not have avoided the buyer pulling out, but N would have at least understood what was happening at every stage and could have chased its own solicitors if necessary.

Considering everything, I agree with our investigator that an award of £150 should be offered in acknowledgment of the inconvenience caused to N. I think this is fair and in line with what we would usually award under similar circumstances. But for the reasons explained above, I don't think Rosinca Mortgages is responsible for other administration costs and legal fees incurred. I also don't think it can be held responsible if N's buyer chose to pull out.

Putting things right

Topaz Finance Limited, trading as Rosinca Mortgages should:

- Award compensation of £150 in total to N.

My final decision

For the reasons explained above, I uphold N's complaint and Topaz Finance Limited, trading as Rosinca Mortgages should put things right in line with what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask N to accept or reject my decision before 2 December 2022.

Hanna Johnson
Ombudsman