

The complaint

Mr and Mrs W complain that London and Country Mortgages Ltd (“L&C”) failed to help and support them when they wanted to remortgage their home.

What happened

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

Mr W said he’d asked L&C to help him remortgage his home. He said the agent he dealt with was very reactive rather than proactively following up with him. Mr W said there were a number of times that L&C’s agent had promised to call, but didn’t. And Mr W also said the agent had misled him into believing he couldn’t remortgage his house without making an offer first.

Mr W said that he eventually gave up and remortgaged directly with his current lender, with no difficulty. Mr W wanted L&C to write him a letter of apology, and to change its process to deal with customer feedback on new cases.

L&C didn’t agree. It said that Mr W had contacted its agent (whom I won’t name here) on 16 September, with further discussions taking place on 21 and 28 September, 20 October and 17 November.

L&C said that at each stage when Mr W discussed his situation with its agent, the agent was able to answer Mr W’s questions, but Mr W wasn’t in a position to go ahead with applying for a mortgage. That’s why L&C’s agent had asked Mr W to get back in touch when he was ready to proceed. L&C didn’t think its agent had let Mr W down.

Our investigator didn’t think this complaint should be upheld. But Mr W didn’t agree. He said that L&C should at least have tried to help him remortgage with his current lender, where he said he was able to remortgage directly and without any fuss. Mr W said that either L&C acted unprofessionally, which should be recognised, or it discriminated against him for an unknown reason.

Mr W wanted his complaint to be considered by an ombudsman, so it was passed to me for a final decision. I then asked L&C for further information on its discussions with Mr W, and it has provided our service with a considerable amount of additional detail on Mr W’s enquiry, and on the advice and support it was able to give him.

L&C said that in the initial enquiry he made on 16 September 2021, Mr W was looking to raise additional capital to invest in new property. L&C said a number of options were discussed, including remortgaging his home, which would be possible, but Mr W had a fixed interest deal on his current mortgage, which ran until April 2022, and there was a charge for exiting this early. Mr W was in the early stages of his planning at the time, he was thinking about buying another property local to him which he understood would shortly be up for sale, but also considering buying a property for a family member too. The agent discussed options for remortgaging early, and for providing support to Mr W with a buy to let mortgage, but as

Mr W's plans were at such an early stage, the discussion ended with Mr W agreeing to come back to L&C once his plans were a little firmer.

L&C said its agent spoke to Mr W twice on 28 September. Mr W's current lender had valued his home at £410,000 and Mr W wanted to appeal that. Mr W also said his employment was potentially not secure going forwards and L&C's agent explained L&C would need to tell the lender that, so it might be best to stay with his current lender. That would also be quicker.

L&C then spoke to Mr W a second time, and explained he could move to a new deal with his existing lender without underwriting checks, but checks would be carried out if Mr W did want to raise extra capital. Mr W remained keen to borrow more, to use the equity in his house to fund a different purchase, but L&C warned this might be difficult with the uncertainty over his job.

L&C said its agent spoke to Mr W again briefly on 29 September, just to confirm the account number of his existing mortgage. Mr W said on that call that his offer for the property local to him hadn't been accepted, so he wasn't going ahead with this purchase at that time.

L&C said it spoke to Mr W on 20 October, and confirmed Mr W's existing lender wouldn't waive the early repayment charge ("ERC") on his existing mortgage deal. Mr W said he still hadn't been able to agree a price on the property he was interested in, and was no longer looking to purchase for a family member. L&C said then that Mr W would need to have an offer confirmed to go ahead with the additional lending, so that the lender would know how much was needed, and what the extra money was being used for. Mr W said he'd call back when he had an offer accepted.

L&C said its advisor rang Mr W on 17 November to see if he'd yet had any offer accepted. Mr W said not, he was looking at other properties. Mr W said he'd also contacted his existing lender directly about his mortgage. L&C said again that it would be happy to help once Mr W had an offer accepted, and invited Mr W to get back in touch then.

I then reached my provisional decision on this case.

My provisional decision

I issued a provisional decision on this complaint and explained why I did not propose to uphold it. This is what I said then:

It appears, from the history of enquiries that L&C has set out for us, as if L&C did attempt to assist Mr W with raising extra funds from his house. But it also appears as if Mr W's plans were at an early stage, at this time. I understand Mr W returned to discuss a buy to let purchase with L&C some time later.

I can also see that L&C noted two key difficulties with helping Mr W to raise money by increasing the borrowing on his house. The first is that Mr W had an existing deal on his mortgage which was going to run until April 2022, and if he ended that deal early, then he would have to pay an ERC. And the second was that Mr W said his job wasn't secure, going forward.

I think that the reason L&C didn't obtain a new mortgage offer for Mr W was likely to have been because he wasn't quite ready to go ahead at that time, he hadn't finalised his plans for a new purchase. I think it's reasonable for L&C to ask Mr W to come back to it, once his plans are a little firmer. But I also note that L&C didn't rely solely on this, and contacted Mr W again after a reasonable amount of time had elapsed, to see if his

plans had moved forward. I think that's a fair and reasonable approach to take in the circumstances that L&C has described.

I also note that L&C was realistic about the difficulties Mr W might face with remortgaging. Mr W said that he was able to remortgage with his existing lender with no difficulties at all, but this does appear to be what L&C had suggested he do, and the easiest way of avoiding problems caused by the insecurities surrounding his employment.

I haven't been able to see that L&C has acted unprofessionally in the advice it gave Mr W about remortgaging his home, or that it has treated him differently from other customers. I know that Mr W will be disappointed, but I don't think this complaint should be upheld.

I invited the parties to make any final points, if they wanted, before issuing my final decision. Neither side has replied.

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.

Neither side has offered any further evidence or argument, and I haven't changed my mind. I'll now make the decision I originally proposed.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W and Mr W to accept or reject my decision before 27 December 2022.

Esther Absalom-Gough
Ombudsman