

The complaint

Mr R applied to remortgage his home through a broker, Fluent Mortgages Limited. He complains that his mortgage offer was withdrawn, but Fluent never told him this. Mr R said he turned down a comparable offer at the time, and he's paying much more interest now.

What happened

Mr R said he was applying to remortgage with Fluent, but his mortgage offer was withdrawn, and Fluent didn't tell him. Mr R said that some time after he'd made an application through Fluent, his existing mortgage lender had made a comparable offer to him. He told us he hadn't accepted that because he had signed a contract with Fluent, so he was unsure where he stood legally.

Mr R said when he eventually found out that Fluent wasn't going to be able to arrange a mortgage for him, his existing lender was no longer offering the same deal. So he said he was paying much more now, and he expected to pay about £4,000 more over the next few years.

Mr R said Fluent had accepted responsibility for what went wrong, but it had only offered £50 in compensation, which was nowhere near enough to make up for his losses.

Fluent said that in late October 2021, it had obtained a decision in principle for Mr R, from a lender that I won't name here. But once it had obtained full details from Mr R of his salary, and sent these to the lender, it said it wouldn't offer Mr R as much as he wanted to borrow. Fluent tried resubmitting the application, with some additional detail, but the lender said it still couldn't offer Mr R as much as he wanted.

Fluent said it should have contacted Mr R at this time, to tell him that the application had been declined, but it couldn't show it had done that. It was sorry that this had happened. But it said this lender had never agreed to lend Mr R the amount he wanted to borrow, and no binding mortgage offer had ever been sent to Mr R.

Fluent said because this lender wouldn't lend to Mr R, it didn't think that what he'd lost was the difference between the mortgage it was applying for, on his behalf, and the one he eventually got. Fluent wouldn't pay that difference to Mr R.

Mr R said he might not have got this deal from the lender that Fluent was talking to, but his existing lender had offered him a similar deal, and he hadn't taken that up, because of Fluent. So he said that meant he had lost out.

Our investigator thought this complaint should be upheld in part. She said Fluent accepted it should have told Mr R that his mortgage application had been declined. And she didn't think the amount it had offered was enough to make up for the impact of not doing that. So she said Fluent should pay Mr R a total of £250 in compensation. But she didn't think Fluent had to cover the difference in interest that Mr R wanted. She said she would have expected Mr R

to check on his mortgage application, in the time that had elapsed after the last contact from Fluent. And she said Fluent was right to say Mr R had never received a binding offer.

Mr R didn't accept that. He said he was out of pocket by almost £4,000, and the higher payment our investigator suggested still wasn't enough to make up for his losses. He wanted his complaint to be considered by an ombudsman, so it was 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.

I do think Fluent has provided Mr R with poor service. It ought to have let him know that the lender he'd applied to could only offer him a smaller amount of money. I think it would be both disappointing and frustrating for Mr R, only to find this out several months later. So I agree with our investigator that Fluent should increase its compensation offer to Mr R.

I think Fluent should pay Mr R a total of £250 in compensation. It looks as if Fluent has already paid Mr R £50 for this complaint, so I will allow Fluent to count that towards the total I'm awarding, if this has since been paid.

But I don't think Fluent has to pay for the additional loss that Mr R has told us about, around £4,000 that he said he'd pay in additional interest over the next few years. I also think that the lender Mr R applied to, through Fluent, didn't ever send him an offer – it just wasn't willing to lend him the amount of money he wanted. And I don't think it's Fluent's fault if Mr R turned down a comparable mortgage offer made by another lender. I know that Fluent could, and should, have told Mr R that his lending wasn't going ahead. But I also think Mr R could have checked with Fluent whether his application was proceeding there.

I think it's important to note that, at the point when Mr R says he turned down this other offer, he hadn't received anything from Fluent saying his application had been approved. So I'm sorry to have to tell Mr R that I don't think it would be fair and reasonable in this case for me to hold Fluent responsible for any losses Mr R incurred because he didn't contact Fluent, and turned down a comparable offer from another lender without seeking the reassurance that his existing application had been approved.

I understand that Mr R will be very disappointed by my decision, but I think Fluent only has to pay him the increased amount of compensation which I have set out above. I don't think the remainder of his complaint should be upheld.

My final decision

My final decision is that Fluent Mortgages Limited must pay Mr R £250 in compensation. Fluent Mortgages Limited can count towards that amount any payment of compensation it has already made to Mr R for this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 28 February 2023.

Esther Absalom-Gough
Ombudsman