

The complaint

Mr S and Ms H complain that London and Country Mortgages Ltd caused their mortgage application to be delayed.

What happened

Mr S and Ms H's offer to purchase a property was accepted on 28 March 2022. They contacted London and Country Mortgages Ltd to arrange a mortgage for them. The initial mortgage was recommended on 4 April 2022, but this product was withdrawn from the market before Mr S and Ms H applied for it. Mr S (who is a contractor) then needed some time to arrange a new contract and to evidence his income. A new mortgage was recommended on 16 May 2022.

This mortgage was accepted in principle on 19 May 2022 and after gathering the initial supporting documentation the application was submitted on 27 May 2022. Mr S and Ms H asked London and Country Mortgages Ltd to update them and on 20 June 2022 Mr S and Ms H were asked for more information.

London and Country Mortgages Ltd and Mr S were then in regular contact regarding the further information and documentation the lender had requested to progress the application. During this time Mr S and Ms H were made aware that their solicitor wasn't on the lender's panel and by 26 July 2022 this was the only outstanding issue. On 1 August 2022 Mr S and Ms H were informed that the vendor was withdrawing from the sale – they were told this was due to the longevity of the process.

Mr S and Ms H say that the sale fell through due to London and Country Mortgages Ltd's delays. They think it ought to have anticipated and understood more fully what information and supporting evidence the lender would need. Mr S and Ms H also think London and Country Mortgages Ltd ought to have flagged the issue with their solicitor not being on the lender's panel sooner.

London and Country Mortgages Ltd offered Mr S and Ms H £100 compensation for not following up with the lender sooner after the application was made. But London and Country Mortgages Ltd also said that the information was requested by the lender to fulfil its own underwriting criteria and the timing of this was out of its control.

Mr S and Ms H don't think this is enough; they say they've lost out financially because they had to pay their solicitor and a valuation fee before the purchase fell through.

When Mr S and Ms H referred their complaint to our service, the investigator didn't think London and Country Mortgages Ltd needed to do more. They said they couldn't be sure it had caused the delay to the application being progressed and that the fee was applicable even if the application wasn't successful.

Mr S and Ms H didn't agree; they said certain information wasn't factually correct, London and Country Mortgages Ltd had done nothing for five weeks and they should have been told sooner that their solicitor wasn't on the lender's panel.

So, the complaint was been passed to me to consider. I issued my provisional decision on 4 January 2023 explaining why I thought London and Country Mortgage Ltd's offer was fair in the circumstances. In summary I explained I wasn't persuaded that London and Country Mortgages Ltd were responsible for most of the time that the application took to progress or for the sale falling through.

London and Country Mortgages Ltd confirmed it didn't have anything further to add. Mr S and Ms H didn't agree with my provisional decision, they said London and Country Mortgages Ltd didn't take sufficient care to inform them that their solicitor needed to be on the lender's panel and that they were told the emails were just a summary of what was discussed.

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, including Mr S and Ms H's further comments, I still think London and Country Mortgages Ltd's offer of £100 compensation is fair in the circumstances.

I'm not persuaded that London and Country Mortgages Ltd are responsible for the majority of the time that this application took to progress.

Overall, there were almost four months between the sale being agreed and the vendor withdrawing the property – eight weeks of which were before this mortgage was recommended.

- There was approximately a three-week period between the application being submitted and the first request for further information. I agree London and Country Mortgages Ltd ought to have followed up with the lender sooner, but this likely only delayed matters by up to a couple of weeks. I say this because it would have been reasonable to allow the lender some time to review the application, and we don't know when the lender was in a position to confirm what further information or documentation it needed to support the application. London and Country Mortgages Ltd has offered Mr S and Ms H £100 compensation to apologise for this and I think that's a fair amount in the circumstances.
- The majority of the time taken to progress the application was outside of London and Country Mortgages Ltd's control, for example when the lender requested further information, and the issues linked to Mr S and Ms H's solicitor not being on the lender's panel.
- I understand Mr S and Ms H think London and Country Mortgages Ltd should have anticipated what information the lender would need, but it gathered what it needed for the initial submission. It's for the lender to determine what more they need depending on the circumstances.
- Mr S and Ms H say they should've been told sooner that there was an issue with their solicitor not being on the lenders' panel. I can see London and Country Mortgages Ltd did inform Mr S and Ms H that they'd need to check with their solicitor whether or not they were on the lender's panel – this is explained in the *"Additional Information: Insurances and Conveyancing"* document provided to them on 4 April 2022 and 16 May 2022.
- I understand Mr S and Ms H say they didn't read this document and that they think London and Country Mortgages Ltd should have specifically spoken to them about this, but I think it's done enough in the circumstances. The wording makes the situation clear and it would have been for Mr S and Ms H's solicitor to confirm whether they could act for the lender in the circumstances. London and Country

Mortgages Ltd didn't have a list of which solicitors were on this lender's panel but were able to obtain it from the lender at Mr S and Ms H's request. I think London and Country Mortgages Ltd acted reasonably in trying to assist Mr S and Ms H with this issue and ultimately it wasn't something it could control or change itself.

- Mr S and Ms H say they were asked for the wrong proof of identification. From the evidence available it appears Mr S and Ms H didn't want to use their passports as they needed to use them and so London and Country Mortgages Ltd worked with them to see what other forms of identification the lender would accept. I don't think it acted unreasonably here or that this delayed the application being progressed given there was still the outstanding issue of Mr S and Ms H's solicitor not being on the lender's panel.
- Mr S and Ms H would like London and Country Mortgages Ltd to reimburse them the cost of the valuation fee they paid. As this was correctly paid to the lender in line with the terms of their application, I don't think it would be fair to require it reimburse this.

This property purchase wasn't guaranteed, there was always a risk that one party might pull out or something else would prevent it from going ahead. As I'm not persuaded London and Country Mortgages Ltd is responsible for the sale falling through I don't think it would be appropriate to make an award for the solicitors fees or any other costs Mr S and Ms H incurred in relation to this.

Putting things right

Mr S and Ms H say they haven't received the £100 offered to them by London Country Mortgages Ltd. London and Country Mortgages should now pay this to them.

My final decision

My final decision is that London and Country Mortgages Ltd's offer to pay Mr S and Ms H a total of £100 compensation is fair, and it should now pay this to them.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Ms H to accept or reject my decision before 17 February 2023.

Stephanie Mitchell
Ombudsman