

The complaint

Mrs E is unhappy with how The Co-operative Bank Plc trading as Platform ("Platform") handled her application to port her mortgage and take a new loan.

What happened

Mrs E took out a fixed-rate repayment mortgage with Platform in August 2020, due to expire in November 2022.

Mrs E approached Platform to find out whether she could port her existing mortgage to a new property and if so, how much more she could borrow. Following this, Mrs E had an offer accepted on a property she wished to purchase and an application to port her mortgage and apply for an additional loan was submitted by her broker on 16 July 2021.

Mrs E says Platform was only contactable by phone or letter, but there were lengthy wait times if you did phone. Mrs E says, during a call on 3 August 2021, she was told that her application hadn't been looked at, was given conflicting information, and was told her application could take another 20 working days.

Mrs E says she didn't receive any help to try and speed things up, but received a phone call the next day warning her that she would have to pay an early repayment charge ("ERC") if she didn't port her mortgage. Mrs E says Platform wouldn't provide a timescale for how long it would take, and she was forced to take a mortgage with a different lender who processed her application within five days. Mrs E's mortgage with Platform was redeemed on 31 August 2021 and she was charged an ERC of around £1,500.

Mrs E complained that Platform's handling of her application was extremely stressful and affected her emotionally, mentally, and physically. She says she was particularly worried about the impact on her mortgage chain. So, Mrs E thinks she should be compensated for this as well as the financial loss she incurred having to pay an ERC.

Platform looked into Mrs E's concerns and issued a final response letter on 27 October 2021. It explained that it was experiencing exceptionally high demand at the time Mrs E applied to port her mortgage and the relevant timescales would have been sent to her broker when the application was submitted. It said this information is also available on its website.

Platform apologised Mrs E was incorrectly told her application wasn't submitted on 16 July. And that she was incorrectly given a timescale of 15 days during a phone call. It said the timeframe is actually 30 days and it was doing everything it could to reduce timescales. Platform didn't agree that it should refund the ERC as it said it was Mrs E's decision to proceed elsewhere, but it did offer her £75 to say sorry for any stress or inconvenience caused by the incorrect information she was given.

Mrs E didn't accept Platform's response and brought her complaint to this service. Our investigator looked into everything, but they found that Mrs E may have been able to complete her application with Platform before the property purchase went through, so they didn't think Platform needed to do anything more. As Mrs E remained unhappy, the complaint was passed to me to decide.

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 don't think Mrs E's complaint should be upheld and I'll explain why.

I've seen a confirmation email Mrs E's broker received from Platform on 16 July 2021 confirming that an application had been received. Platform says this email would have indicated the relevant timescales involved, but I can't see that it did. The email doesn't say anything about timescales, it just confirms an application had been submitted.

So, I'm satisfied an application was submitted on 16 July, but I don't agree that Platform informed the broker of the relevant timescales at this stage. That said, it's possible the broker was told this in other correspondence I've not seen. Particularly as the broker was liaising with a specific contact at the business over mobile phone and I've been unable to find out what was discussed in those calls. In addition, if timescales were a concern, Mrs E or her broker could have seen the relevant information on Platform's website which confirms broker applications take around 30 days.

Mrs E has explained that her property purchase was originally due to complete on 13 August 2021, but this was moved to 20 August 2021, which is the date she'd hoped Platform would have approved her porting and new loan applications in time for. As Mrs E was concerned her application hadn't progressed, she spoke to Platform on 3 August 2021, around two weeks after her application was submitted. During the call, Platform advised Mrs E her application wouldn't be ready to complete by 20 August 2021. It's not surprising this concerned Mrs E, and she confirmed she was considering approaching a different lender as a result.

Mrs E has provided information that shows a mortgage illustration was produced by a third-party lender on the same day. I've also seen a copy of an email she sent to her solicitor on the same day explaining that she had sought an offer from a third-party lender and that she would have to pay an ERC so as not to disrupt the chain. She confirmed she felt Platform was responsible for this.

On 4 August 2021, Platform spoke to Mrs E again and explained that it didn't receive the application from her broker until around 22 July. They also said while they may have said it takes 15 days to review the application, the full process, from receipt to offer, takes around 30 days. Platform said it was unable to provide an indicative completion date at this time.

Considering what was discussed in the calls on 3 and 4 August, I can understand why Mrs E had concerns about her applications progressing on time. Particularly because she was under the impression her application should have been processed within 15 days and she now believed her application had been lost due to the misunderstanding about its received date. But having reviewed all of the evidence, I haven't seen anything to suggest the application was lost, it appears to have been in a queue that was being reviewed in order of submission.

Mrs E says she begged Platform to speed up the process, but it refused. While I can appreciate Mrs E was concerned about any delays affecting her chain, I don't think that means Platform should have prioritised her application. It's more likely than not most of Platform's other customers would have been in a similar position, so I wouldn't have expected it to progress Mrs E's application ahead of anyone else who submitted theirs before her.

Mrs E made the decision to approach a different lender as soon as the timescale she thought applied had passed, even though she was advised during the call on 3 August that the timescale was actually 30 days. While Platform wouldn't give her a specific date, the timescales given suggest she could have expected her application to have been ready on or around 16 August. In addition, I think it's relevant to acknowledge that many businesses were experiencing delays at the time, mainly due to the coronavirus, Covid-19, pandemic and the removal of stamp duty.

Mrs E says it only took the third-party lender five days to offer her a new mortgage. I don't think this has any bearing on my findings. Mrs E's broker applied for the mortgage with the third-party on 3 August and I've seen a copy of an approved offer that was sent on 18 August 2021. Platform has confirmed it contacted Mrs E's broker on 10 August 2021 for some more information, but if it weren't for this it should have been ready that day. Platform says it chased the information twice, but didn't receive a response, and on 18 August 2021 it was informed that the application had been cancelled.

While I appreciate Mrs E couldn't be certain when her Platform application would complete, she was eventually told the correct timescale, of around 30 days, and I think it's more likely than not the application with Platform would have been able to complete around the same time, if not before, the application through the third-party lender. Mrs E says she had to move the completion date again, to 27 August, but ultimately everything went ahead without the chain breaking. And I think it's more likely than not the same would have happened had she stayed with Platform.

Considering everything, it's clear Mrs E was given some misinformation along the way, but the timescales involved are relatively short and I don't think this would have had a significant impact on Mrs E's ability to proceed with her property purchase. I know moving home is a stressful life event for most people, and that Mrs E may have felt pressure to make a decision about how to proceed. But I don't think it was essential for her to switch to a different lender in order to purchase her new home, so I don't think Platform is responsible for the ERC she had to pay as a result.

Mrs E was clearly frustrated with the contradicting information she received, and it's understandable she was worried about whether she could rely on the new information Platform had given her, but ultimately it was her decision to go elsewhere and she was aware she would have to pay an ERC to get out of her existing agreement early. Mrs E seems to have considered the pros and cons of this when she emailed her solicitor accepting that she would have to pay the ERC to ensure everything was done on time.

Platform has offered Mrs E £75 to say sorry for the misinformation she received, and I think that's fair in the circumstances. I know this may seem like a small sum due to level of impact Mrs E says this experience had on her, her family and the other families involved in her chain. But as I've said above, the complaint concerns isolated events where some incorrect information was given. This was over a relatively short period of time and the timescales Mrs E anticipated in terms of her mortgage application only increased by 15 days. And I think it's more likely than not Mrs E's purchase would have gone ahead if she stayed with Platform, so I don't think it needs to do anything more to put things right.

Platform has confirmed Mrs E didn't accept its offer, so if she wants to accept it now, she can sign and return the settlement form attached.

My final decision

For the reasons I've explained above, my final decision is that I don't uphold Mrs E's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 8 March 2023.

Hanna Johnson
Ombudsman