

The complaint

Mr S complained about what happened when he asked a broker at Fairstone Mortgage Solutions Ltd to help him remortgage, before his existing mortgage deal expired.

What happened

Mr S said he'd applied early to remortgage, in May 2022. He used a broker he'd worked with before, and secured an offer he was happy with. Mr S said he then got a letter from a legal firm (that I won't name here) which he said was about payment. He checked with the broker, and was reassured the deal was fee free, so he didn't take any further action.

Mr S said he didn't hear anything after that. He got in touch with the broker in August, asking if things were going ahead, but didn't get any response until he messaged again, in late September. Mr S said the broker then told him he needed to speak to the legal firm, and that his mortgage wouldn't move until Mr S did this.

Mr S said he then discovered that the legal firm was waiting for him to sign documents, which he'd never received because the firm had the wrong email address for him. His existing fixed interest rate came to an end at the end of September, and he ended up paying his old lender's Standard Variable Rate.

Mr S said that wasn't fair. He'd acted in good time, and Mr S said that his broker should've helped when he got in touch in August. Mr S said the mistake with his email address also originated with Fairstone.

Fairstone said Mr S applied for a new mortgage a little over four months before his old mortgage deal expired. It said he'd given enough time for this work to be done, so it was disappointed his new mortgage wasn't yet in place. Fairstone said it would pay the difference between Mr S's fixed rate mortgage repayment and his old lender's SVR, for October. It thought his new mortgage would be in place after this. We now know his new mortgage completed in late October, about a week after Fairstone wrote to Mr S about his complaint.

Fairstone said it would have expected Mr S to be in contact with the lender's legal firm, after the mortgage offer was issued. It said the firm did write to Mr S in June, but Mr S didn't contact the firm then. Fairstone thought that was why his mortgage hadn't yet been finalised.

But Fairstone did say it thought its advisor could have done more to help Mr S, when he contacted it in August to ask how things were going. So it offered Mr S £200 for that.

Mr S turned this down. He said he'd been in the middle of preparing for an important interview when he discovered the mistake with his mortgage, and the urgent work to get his mortgage application back on track interfered with that. Mr S asked Fairstone to pay £600 instead, and when it said no, Mr S asked our service to look into his complaint.

Our investigator didn't think Fairstone had to do more than it had offered. He said Fairstone's advisor had told Mr S there would be legal work to do once the offer was issued, so Mr S

should've been aware he'd need to engage with solicitors. He then got a letter from the legal firm, saying they'd emailed him an introduction pack, and asking him to complete documents from that pack. Although there was confusion around the mention of a £95 fee, our investigator thought the letter was clear that Mr S needed to act on an email, so he should have got in touch with the firm, when he didn't receive that.

Our investigator said that Fairstone accepted it gave Mr S's lender the wrong email address. But the offer it made put Mr S back in the position he'd have been in, if that mistake hadn't been made.

Our investigator noted that Mr S told us this application had caused him stress, and interfered with his preparation for an interview, but he said that any mortgage application comes with some level of stress, and some of this could have been avoided if Mr S had contacted the legal firm when he received their letter. And Fairstone also suggested he contact them. So, on balance, our investigator said he thought Fairstone's offer was fair.

Mr S didn't agree. He said he didn't think we'd taken account of the fact that he was ignored by the broker at least twice. Because Mr S wanted his complaint to be considered by an ombudsman, this case was then 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 understand that Mr S feels he'd done enough to make sure his new mortgage was in place by the time his old deal expired, but unfortunately, he'd only completed part of the process. He needed to complete some paperwork for the legal firm working for his lender. I also understand that it wasn't Mr S's mistake which meant he didn't receive this paperwork right away – the lender had been given the wrong email address by Fairstone. But Mr S did get a letter which told him to expect forms to complete. And he didn't follow up on that with the firm, when that email didn't turn up.

I know Mr S did get back in touch with his broker in August, and didn't receive a reply to his messages then. But I still think that it's the fact Mr S didn't follow up on the letter with the legal firm, which is the main reason why Mr S's mortgage wasn't agreed in time.

Fairstone has offered to pay the difference between Mr S's mortgage and his old lender's SVR. I think that puts Mr S largely back in the position he'd have been in, if his mortgage had completed in time.

But Mr S says that doesn't make up for the stress he experienced at the time, when he found out his new mortgage wasn't in place. He said he twice had to stop preparations for an important interview, to prepare and post paperwork to the legal firm.

I don't think it's Fairstone's fault that the first set of paperwork Mr S prepared and sent to the legal firm was lost in the post. So, considering that, and that Mr S did unfortunately miss an opportunity to avoid the problems here, I do think that a payment of £200 from Fairstone makes up for the part it played in what went wrong, and the impact that had on Mr S.

I understand part or all of this offer may not yet have been paid, so I'll award that now, but I'll allow Fairstone to offset against this award any payment it has already made.

My final decision

My final decision is that Fairstone Mortgage Solutions Ltd must pay Mr S the difference between what Mr S was charged for his mortgage for September 2022, on his old lender's Standard Variable Rate, and the amount he would have been charged for that month, if his new mortgage deal had been in place on 1 September 2022. Fairstone Mortgage Solutions Ltd must also pay Mr S £200 in compensation. Fairstone Mortgage Solutions Ltd may offset against this award any payment it has already made to Mr S for this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 20 July 2023.

Esther Absalom-Gough

Ombudsman