

The complaint

Miss M and Ms S complain about poor service and advice from the Mortgage Advice Bureau Limited. They ask that it responds to their complaint and pays compensation.

What happened

Miss M and Mr S were buying a property and took mortgage advice from MAB. They say it failed to communicate with them about the process of completing the mortgage, and didn't contact them to arrange life, income and critical illness protection cover. They had to chase MAB and were unhappy with the advice given relating to the protection cover. They didn't have cover in place when they exchanged contracts for their purchase.

Miss M and Mr S say they were impacted more by this because they both suffer from anxiety and had recently experienced a traumatic event.

Our investigator said MAB had failed to provide advice about protection cover until after contracts were exchanged, despite Mr S and Miss M's requests. He said MAB should pay £200 compensation.

Miss M and Mr S agreed. MAB didn't provide a substantive response.

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.

Miss M and Mr S took mortgage advice from MAB and received a mortgage offer in mid-2021. There were delays with their purchase which were resolved in early 2022. During this time, the lender made new products available which were cheaper for Miss M and Mr S. MAB made a new application and they received a new mortgage offer in early March 2022. Miss M and Mr S exchanged contracts for their purchase in March 2022.

Miss M and Mr S say MAB wasn't responsible for delays with their purchase. And they aren't complaining about the mortgage advice.

Their concerns are about the lack of support and communication from MAB between the mortgage offer being issued and completion. And poor service and advice relating to the protection cover.

MAB says it has a limited role once the mortgage offer is issued. After this, the solicitors are primarily responsible for the work required for completion. While this is right, I'd expect MAB to respond to questions from Miss M and Mr S, if only to explain that they ought to contact their solicitor. And I'd expect it to respond to their requests about protection cover.

I do think there were delays in MAB providing advice to Miss M and Mr S about protection cover. Miss M and Mr S said at the outset – in mid-2021 – this was something they wanted. The mortgage adviser said this would be arranged once they received a mortgage offer.

Miss M and Mr S provided updated information to MAB related to taking out protection cover in February 2022. They made it clear this was something they wanted to discuss. The mortgage adviser confirmed he received this and said he would deal with it.

In late April 2022 Mr S made a complaint about the lack of response. At that point, MAB referred them to a protection only consultant, who contacted Miss M and Mr S in May 2022. This could have been arranged earlier. As it was, MAB didn't arrange a review of Miss M and Mr S's protection cover until after they'd exchanged contracts and were committed to the purchase.

Miss M took out protection cover. Mr S was uncomfortable about proceeding. He couldn't confirm the information he provided was correct without a medical report and wanted to obtain this first. He'd have had more time to arrange this if MAB had arranged for them to meet with the consultant earlier in 2022. Mr S hadn't obtained a medical report by mid-July 2022 and MAB cancelled the application.

Miss M and Mr S were caused unnecessary inconvenience and upset by MAB's failure to respond to their requests for a review of their protection cover. They had to chase MAB a number of times, and were worried about being without adequate cover. I think it's fair and reasonable in the circumstances to order MAB to pay £200 compensation for this.

My final decision

My decision is that I uphold this complaint. I order Mortgage Advice Bureau Limited to pay £200 to Miss M and Mr S.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M and Mr S to accept or reject my decision before 27 April 2023.

Ruth Stevenson
Ombudsman