

The complaint

Mr and Mrs S complain that Aldermore Bank Plc treated them unfairly when they applied for a mortgage with it.

What happened

The facts of this complaint are well known to both parties, so I won't repeat them all here. But as a summary, Mr and Mrs S feel Aldermore Bank failed to progress their mortgage application as they should have. They feel it added delays which resulted in the mortgage application expiring and Mr and Mrs S lost out on the rate they were hoping to achieve. The situation caused a great deal of distress to Mr and Mrs S which they say impacted their day to day lives.

Our investigator looked at the complaint and agreed that Aldermore had caused some delays. But he didn't agree its actions were the likely cause of the mortgage not completing ahead of the application expiry date. For the impact of the delays it had caused, he asked that it pay Mr and Mrs S £200 – this was an increase of £100 previously offered by Aldermore.

Aldermore accepted this recommendation, but Mr and Mrs S did not. They didn't think this fairly reflects the loss they feel they've incurred as a result of the delay. They say they are now paying more interest than they would have had the mortgage application completed sooner. And the distress and inconvenience experienced was considerable. Overall they don't feel £200 is fair and they asked that the complaint be passed to an ombudsman for review.

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 decided to uphold this complaint for much the same reasons as our investigator. I know Mr and Mrs S will be disappointed by this as it falls somewhat short of the outcome they are hoping for, but I'll explain why I've reached this decision.

It isn't disputable that there has been delays in the application made by Mr and Mrs S, but I'm not persuaded that the actions of Aldermore resulted in this going beyond the point of the application expiring. Aldermore says it allows 50 days for an application to be completed. If not completed within this time, the application is closed. Mr and Mrs S's application hadn't been completed within this timeframe, but I don't think it is fair to say this is because of Aldermore and its actions.

Mr and Mrs S's application was started at the beginning of October 2021. As part of the application, Mr and Mrs S needed to appoint a solicitor to act for them with their conveyance. Aldermore wrote to the solicitor to explain it was not on its residential conveyancing panel. It did this on 6 October, 18 October and 20 December 2021, each time it explained what the solicitor needed to do to apply to join the panel. If the solicitor didn't wish to join, Aldermore

needed to let Mr and Mrs S know so they could arrange for an alternative firm to act for them. The solicitor didn't make an application to join the panel until 22 December 2021 and by this point, Mr and Mrs S's application had already expired.

Aldermore didn't tell Mr and Mrs S that their application had expired as quickly as they could have. But I don't think this changes the fact that it expired because their solicitor hadn't requested to join the panel as was needed.

Mr and Mrs S feel the rate of their mortgage has increased because of Aldermore but I don't agree this is the case. Their mortgage application couldn't be completed because of Aldermore waiting for the third-party solicitor to do what it needed to and until this happened, Aldermore couldn't complete the application and provide a full offer.

I appreciate what Mr and Mrs S have said about the stress they experienced when trying to secure the mortgage for their property. It is clear this was a difficult time, but I think the reason for their application expiring and needing to be resubmitted was because their solicitor was not on Aldermore's residential conveyancing panel and they failed to join this when first asked.

Aldermore could have progressed other elements of the application more quickly and told Mr and Mrs S sooner that their application had expired and needed re-submitting. But I agree with our investigator that a recommendation of £200 to reflect the impact of this is fair.

Putting things right

Aldermore Bank Plc should pay Mr and Mrs S £200 for the distress and inconvenience caused when it added delays to their mortgage process. If it has already paid the £100 offered in its final response, it only needs to pay the remaining £100.

My final decision

For the reasons I've explained above, I uphold Mr and Mrs S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 24 July 2023.

Thomas Brissenden
Ombudsman