

## **The complaint**

Miss S says Nationwide Building Society caused delays with her mortgage application. She says as a result her purchase fell through and she missed out on a lower interest rate product. Miss S asks for compensation for her legal costs and that Nationwide applies the lower interest rate product to her new mortgage.

## **What happened**

Miss S's broker submitted a mortgage application to Nationwide on Miss S's behalf in late March 2022. Nationwide declined the application in early July 2022. It said this was due to lack of affordability, as hadn't received suitable evidence of Miss S's second income. Nationwide issued an offer at the end of July 2022 after receiving further evidence of Miss S's income. Unfortunately, by this time Miss S's purchase had fallen through. Nationwide offered £100 for incorrect information about extending the valuation.

Miss S says she'd provided all the documents Nationwide asked for, and Nationwide caused delays throughout the application process.

Our investigator said Nationwide asked for evidence and assessed Miss S's income in accordance with its criteria. It asked for further evidence related to her second income on 10 June 2022 and didn't receive this until 18 July 2022. Our investigator said Nationwide wasn't responsible for Miss S's purchase falling through.

Miss S didn't agree, saying documents were sent to Nationwide on numerous occasions as it said they weren't received, and Nationwide took weeks or months to acknowledge and review documents. Miss S said the documents requested on 10 June 2022 were provided a few days later – not six weeks later. She believes Nationwide were purposefully stalling so that when she re-applied in 2023 she'd have to pay a higher interest rate.

## **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 S's broker submitted a mortgage application on her behalf in late March 2022. Nationwide issued an offer at the end of July 2022.

I've carefully read the evidence, including the timeline provided by Miss S's broker and contact notes and timeline provided by Nationwide. I can understand Miss S's frustration about the time her application took and that Nationwide asked for further information on a number of occasions over three months. Overall though, I don't think Nationwide's requests for further information or documents were unreasonable.

From comparing the timelines, it seems that when Nationwide asked again for documents it was because the document provided was incomplete or had been provided as a screen shot which didn't show the whole document.

The circumstances of Miss S's income weren't straightforward and differed from what was stated on her application. This resulted in Nationwide asking for further documents as it gained a better understanding of the situation. Based on the available evidence, I don't think Nationwide received all of the requested information and documents related to Miss S's second income until 18 July 2022. It issued a mortgage offer soon after this was received.

Nationwide needs time to review documents once they're received and it sets timescales for this. I appreciate that Miss S feels that its review times are too long, and it could have done this more quickly. But that doesn't mean Nationwide made an error or caused unreasonable delays.

The vendor of the property Miss S wanted to buy pulled out of the sale. While Miss S says this was because of the delays, she hasn't provided evidence that this was the reason. Nationwide says an internet search shows that this same property sold later in 2022 for about £12,000 more than the price Miss S had agreed to pay. Property purchases can fall through for a number of reasons. So even if I did think Nationwide was responsible for delays (and I've explained why I don't think this was the case), I wouldn't fairly be able to conclude that this was the reason for the vendor pulling out of the sale without clear evidence this was the case. I'm sorry that Miss S incurred costs related to the purchase, but I don't think it's fair and reasonable to require Nationwide to cover these costs.

Buying a property is often a stressful time. Miss S has told us how this affected her, and I'm sorry for the difficulties she describes. I must be clear that I can only fairly require Nationwide to pay compensation if I find it made an error. So while Miss S found the mortgage application and failed property purchase difficult, I can't fairly ask Nationwide to pay compensation for this. Nationwide accepts that it gave incorrect information about the valuation being extended. For the upset this error caused, I think £100 compensation is fair and reasonable.

Miss S has since successfully applied for a mortgage with Nationwide. She had to choose from the range of interest rate products available when she made the application. I can understand her frustration that interest rates have increased since mid-2022. I haven't seen anything to suggest Nationwide deliberately stalled the application in 2022 with the intention of applying a higher interest rate if Miss S were to make an application in future. I don't think Nationwide made errors or treated Miss S unfairly so as to make it fair and reasonable to require it to apply a lower interest rate product to her new mortgage.

### **My final decision**

My decision is that Nationwide Building Society should pay £100 to Miss S, as it offered to do (if it hasn't already done so).

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 14 July 2023.

Ruth Stevenson  
**Ombudsman**