

## **The complaint**

This complaint's about an equity release mortgage that Mr A and Mrs B took out over late 2022/early 2023 with more 2 life Ltd trading as Standard Life Home Finance (SLHF).

The crux of the complaint is about errors and delays on the part of SLHF and its solicitors that resulted in Mr A and Mrs B borrowing less money than they'd hoped for, and interest being charged at a higher rate. In addition to the financial impact on them Mr A and Mrs B say they've experienced a high degree of distress and inconvenience. In Mrs B's case, that's been exacerbated by an ongoing health condition.

## **What happened**

The broad circumstances of this complaint are known to Mr A and Mrs B and SLHF. I'm also aware that the investigator issued a detailed response to the complaint, which has been shared with all parties, and so I don't need to repeat all of the details here.

Our decisions are published, and it's important that I don't include any information that might result in Mr A and Mrs B being identified. Instead I'll give a brief summary of the main points, and then focus on giving the reasons for my decision. If I don't mention something, it won't be because I've ignored it. It'll be because I didn't think it was material to the outcome of the complaint.

Mr A and Mrs B were using the mortgage funds to buy a new-build property. As the build progressed, successive mortgage offers were issued, and then extended when they passed their expiry date. The conveyancing process was difficult and convoluted, with errors, omissions and duplications abounding - not confined just to SLHF or the firms of solicitors representing it in the transaction.

The property was confirmed as ready to occupy in November 2022, subject to a professional consultant's certificate. At that point, the mortgage offer in play was for £223,499, on a lifetime fixed rate of 5.32%. That offer had originally been issued in September 2022, but had been re-issued on 9 November 2022, and was valid until 25 November 2022. Sadly completion was delayed beyond that date, and SLHF then issued a revised offer in December 2022, for £190,400, on a fixed rate of 8%. The mortgage eventually completed on the terms of the December 2022 offer.

Our investigator thought the complaint should be upheld. She concluded that but for the cumulative effect of errors and omissions on the part of SLHF (and the surveyors and solicitors acting as its agents) over the entire process, it should have been possible to complete the purchase by 25 November 2022,. She recommended SLHF revert the mortgage to the terms of the 9 November 2022 offer, including the higher amount if Mr A and Mrs B confirmed they wanted it. She also proposed that SLHF pay Mr A and Mrs B £1,000 compensation for their time, trouble and upset.

Mr A and Mrs B accepted the investigator's recommendations, including confirming they would like the extra borrowing. SLHF made the point that the delays weren't just confined to it and its agents. It pointed to shortcomings on the part of the actions of the solicitors acting

for Mr A and Mrs B. However, SLHF also proposed an alternative settlement, whereby it would leave the mortgage as it is, and instead pay Mr A and Mrs B £2,500 in full and final settlement. We put SLHF's proposal to Mr A and Mrs B, who declined it. Accordingly, the case has been referred to me to review.

### **What I've decided – and why**

I'll make some general observations before dealing with the substance of the complaint. We're not the regulator of financial businesses, and we don't "police" their internal processes or how they operate generally. That's the job of the Financial Conduct Authority (FCA).

We deal with individual disputes between businesses and their customers. In doing that, we don't replicate the work of the courts. We're impartial, and we don't take either side's instructions on how we investigate a complaint. We conduct our investigations and reach our conclusions without interference from anyone else.

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've reached the following conclusions on the complaint.

Despite the long and convoluted set of events that led to this complaint, my task in determining it is simpler than it might seem. That's because I don't have to decide fault; SLHF has agreed that redress is due to Mr A and Mrs B; all I have to decide is what that redress should be.

SLHF has pointed out that other parties contributed to the problems and delays, and that's not in dispute. However, the test I have to apply is this: *notwithstanding the contributions of other parties, but for the shortcomings of SLHF and its agents, could Mr A and Mrs B's purchase have completed on or before 25 November 2022, thus allowing them to have the mortgage that was offered on 1 September 2022 and re-offered on 9 November 2022?*

Having considered all of the evidence, and the timeline of events over the entire process – which started as far back as April 2022 – I'm persuaded on the balance of probabilities that the answer to the above question is yes. It follows from this that as part of fair redress, I shall require SLHF to reconstruct Mr A and Mrs B's mortgage on the basis that it still completed on 16 January 2023, but replacing the terms from the 20 December 2022 offer with those from the 9 November 2022 offer.

That brings me to the question of compensation. The award proposed by our investigator was £1,000, which might seem on face value to be a lot of money. It certainly falls into the higher than average range of awards we typically make. But here, in the specific circumstances that apply here, I think it's justified.

Even in the best-ordered situation, some things can or will go wrong in such a complex transaction as a house purchase, and some degree of stress and inconvenience is to be expected. But the problems with this case, and the levels of stress they generated, went way beyond what might be regarded as normal for or expected for such a transaction.

Added to that, I have also to consider how the impact of events on Mrs B was exacerbated by her underlying health problems. I don't reveal the details here, out of respect for her privacy, but Mrs B has produced ample medical evidence of how her condition has worsened over the events of the transaction to persuade me that £1,000 is justified.

## **My final decision**

My final decision is that I uphold this complaint. In full and final settlement, I direct more 2 life Ltd trading as Standard Life Home Finance to do the following:

- re-construct Mr A and Mrs B's mortgage on the basis that it commenced on 16 January 2023 with an opening balance of £223,499\*, and is on a fixed for life interest rate of 5.32%; and
- pay Mr A and Mrs B £1,000 compensation.

\*I ask Mr A and Mrs B, assuming they accept the final decision, to provide details of the bank account to which the additional borrowing should be paid. If the account in question is held in one of their names rather than both, then the non-account holder should expressly authorise payment into the account.

My final decision concludes this service's consideration of this complaint, which means I'll not be engaging in any further consideration or discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Mrs B to accept or reject my decision before 13 September 2023.

Jeff Parrington

**Ombudsman**