

The complaint

Mr and Mrs P complain that advice they got from a mortgage broker working for Trussle Lab Ltd meant they lost the mortgage they wanted. They said they weren't able to fix their interest rate for as long as they wanted, and they're paying a little more each month now.

What happened

Mr and Mrs P had a fixed interest rate mortgage deal which expired at the end of August 2022. Some months earlier, they sought advice on remortgaging from Trussle, and their application for a ten-year fixed interest rate mortgage was submitted to their preferred lender on 20 April 2022.

Mr and Mrs P each had an outstanding loan, together these added up to a little over £3,000. They also had some credit card debt. When they applied for this lending, they told Trussle that the loans would be paid off, before the remortgage completed. Their preferred lender wanted evidence that the loans had been repaid. Emails show that Mr and Mrs P had been clear with Trussle on a number of occasions that they only planned to pay this lending off at the end of July, before their existing deal ended.

Mr and Mrs P did then repay this lending, and sent evidence of this through to Trussle, at the end of July. But they didn't receive an offer. They complained to the lender, and it told them that their application had been cancelled, because they hadn't supplied the requested evidence that their loans had been paid off before the deadline the lender had set.

The lender said it had repeatedly asked Trussle for this evidence, and told Trussle that the application would expire on 19 July, so evidence needed to be supplied by then. The lender actually closed the application on 22 July, and wouldn't reopen it when Trussle asked, a little over a week later.

Mr and Mrs P told our service Trussle hadn't passed this warning on to them, and hadn't accepted that it had been warned by the lender that the application was going to be closed. They said they would have paid the loans off sooner if they'd been told this. They said they'd had to pay an extra £200 a month for two months while they worked to put different lending in place. And they said they are now paying a little more each month, on a five year fixed interest rate deal, not the ten year fix they wanted.

Mr and Mrs P wanted Trussle to accept its mistakes, to compensate them for the extra interest they'd paid while waiting for their second application to complete, as well as the extra costs of their monthly mortgage payments, and for the loss of the extra 5 years of fixed rate protection.

When this case came to our service, Trussle accepted that it had been told Mr and Mrs P's mortgage application would be closed by their preferred lender if they didn't provide evidence that their loans had been cleared. It said notification of this deadline had been sent directly to a former member of staff, and it didn't have access to these emails. It accepted that Mr and Mrs P should have been told about the deadline, and weren't.

Trussle said it had repeatedly asked Mr and Mrs P to provide the requested evidence. And Trussle said it couldn't be sure this application would ever have been successful. But it thought that Mr and Mrs P's expectations could have been better managed, so it wanted to offer £250.

Our investigator thought this complaint should be upheld. She said the lender had been clear that outstanding debts would need to be repaid before it would issue the mortgage offer. But Mr and Mrs P weren't given full information about the mortgage application process, and in particular, they weren't warned about the upcoming expiry of the offer. They should have been told this.

Our investigator thought Trussle should pay £400 in compensation. But she didn't think it should pay for Mr and Mrs P not getting the ten year fix they wanted. She said that application was never fully considered by the lender, so she couldn't be sure Mr and Mrs P would have received an offer.

Mr and Mrs P didn't agree. They said we couldn't be sure they wouldn't have been given the offer they wanted either. And they thought that it was more likely that they would have been given an offer, because they'd already been through the lenders credit searches, and they'd got the impression from Trussle that the underwriters were otherwise happy with their application, only waiting to see that their debt had been cleared.

Mr and Mrs P said they had the cash available and could have cleared the debt immediately if Trussle had told them about the upcoming expiry of the application. Mr and Mrs P said Trussle had lied about not receiving notification of this expiry, which they thought our service should take into account. Because no agreement was reached, this case came to me for a final decision. And I then reached my provisional decision on this case.

My provisional decision

I issued a provisional decision on this complaint and explained why I did propose to uphold it in part. This is what I said then:

I think Trussle wasn't aware of the warnings about an upcoming deadline when it initially replied to Mr and Mrs P's complaint, because that information was sent directly to the email inbox of a former employee, which it couldn't access. I haven't been able to conclude that Trussle has deliberately sought to mislead Mr and Mrs P about this.

Mr and Mrs P have argued that they should have been told about the deadline, and I think that's right. I also understand why they've reached the view that this would then have resulted in an offer from their preferred lender, for the ten year fixed rate they wanted. They said they'd already been through the lender's credit searches. Unfortunately, that doesn't mean that their application had been fully considered by underwriters, and applications do fail at that stage.

I can see Trussle gave Mr and Mrs P to understand, at some points, that the underwriters had already considered their application, and evidence the loans were cleared was the only thing outstanding before an offer was issued. But, importantly, I haven't been able to see that this was something their preferred lender told Trussle. I think it's more likely that the underwriters hadn't fully considered their application, and that they were delaying doing so until evidence of the loans being cleared was supplied.

We know that Mr and Mrs P did also have credit card debts, which their preferred lender would have had to take into account. Although the loans were paid off in late July, Trussle's notes say Mr and Mrs P's credit card debts had gone up by the time that they

applied elsewhere, so I haven't been able to see that their overall indebtedness had reduced. And Trussle's notes also say that after their preferred lender closed their application, Trussle wasn't able to secure a ten year fixed rate for them elsewhere, as they weren't able to meet affordability requirements for any ten year fixed rate deals.

I know Mr and Mrs P really wanted the security of a ten year fixed rate, so I think they would always have made this application to their preferred lender. They say we can't be sure, either way, whether this application would actually have been successful.

In these circumstances, I have to decide what's most likely to have happened. And here, I'm sorry to have to tell Mr and Mrs P that I don't think it's most likely their application would have been approved. In the light of the issues I've set out above, I think, on balance, it's more likely that their application with their preferred lender would not ultimately have been successful, and they would always have had to source an alternative elsewhere.

I think that means it was also always likely that Mr and Mrs P would have ended up with a slightly higher rate, and that they would have had a short period of higher interest payments while Trussle secured alternative lending for them.

I do think, though, that Trussle let Mr and Mrs P down by not telling them about the deadline for their application with their preferred lender to be considered. They lost the chance of this application being considered, and they have been left feeling very let down by their broker. So, like our investigator, I do think that Trussle should pay a little more compensation in this case. But, on the evidence I've seen to date, I think that the payment she suggested, of £400, would provide a fair and reasonable outcome to this complaint. So that's what I propose to award.

Trussle has already made an offer in this case. It doesn't look like Mr and Mrs P accepted that, but I'll allow Trussle to count towards this award any payment of compensation it has already made to Mr and Mrs P, just in case they changed their minds about accepting this more recently.

I invited the parties to make any final points, if they wanted, before issuing my 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.

Mr and Mrs P replied to say they didn't intend to offer any further evidence, so would be forced to accept. Trussle didn't reply.

Neither side has offered any further evidence or argument, and I haven't changed my mind. I'll now make the decision I originally proposed.

My final decision

My final decision is that Trussle Lab Ltd must pay Mr and Mrs P £400 in compensation. Trussle Lab Ltd can count towards that amount any payment it has already made to Mr and Mrs P for this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P and Mr P to accept or reject my decision before 25 October 2023.

Esther Absalom-Gough
Ombudsman