

The complaint

Mr F and Ms J complain that the mortgage they were applying for with the support of London and Country Mortgages Ltd was withdrawn, and their application failed, because they hadn't supplied requested documents. But they said these were all emailed to L&C, as agreed.

What happened

Mr F and Ms J asked L&C to help them remortgage. They said they flagged from the start that they were having problems using L&C's online portal, as it just wouldn't let them upload required documentation.

Mr F and Ms J said they'd chosen a mortgage they wanted to apply for, and tried to upload the documents needed for their application, without success. They said they notified L&C of the problems, and it asked them to send the documents by email. Mr F and Ms J told us they provided all the requested documents by email on 22 September. But on 29 September, L&C contacted them to tell them this mortgage application had been cancelled. It said the necessary documentation wasn't supplied in the requested time, and the underlying rate had now been withdrawn.

Mr F and Ms J said they'd shown L&C that they'd already sent the documents, but it just said it had no record of the documents being sent to it.

Mr F and Ms J said they lost out on the chance of a better interest rate, and they were now paying more each month than they'd hoped to pay. They wanted L&C to cover the additional costs, which they worked out as over £8,000 for all of the fixed interest rate period.

L&C said it had requested these documents from Mr F and Ms J a number of times. And it said it had checked its records carefully. The documents weren't received until 30 September. So L&C said it wasn't its fault that Mr F and Ms J's application didn't go ahead.

Our investigator thought this complaint should be upheld in part. She said Mr F and Ms J had repeatedly complained that they couldn't use L&C's portal. And L&C hadn't resolved this. Mr F and Ms J were told to send documents by email, and our investigator thought they did so. She said we couldn't be sure that Mr F and Ms J's application would ever have been successful, so she couldn't ask L&C to pay the difference between the monthly payments under the rate they'd hoped to secure, and the one they eventually got. But she did think L&C should pay £150 to make up for poor service.

Mr F and Ms J agreed. But L&C didn't. It said the email Mr F and Ms J said they'd sent on 22 September, with the requested documents, just hadn't been received in its organisation. And L&C said it then chased these documents, later the same day, sending an SMS to Ms J. It received no reply to this.

L&C said it couldn't act on an email it never received. So it didn't think it should have to pay compensation in this case. Because no agreement was reached, this case was passed 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. This is what I said then:

I accept that Mr F and Ms J have had repeated and ongoing problems with using the L&C portal to upload documents. I think this must have been quite frustrating for them, although it looks as if L&C had put in place a workaround, which allowed them to email documents.

That brings me to what appears to me to be the core dispute in this case, whether Mr F and Ms J did in fact send an email to L&C on 22 September, with the final documents needed for their application.

Mr F and Ms J have shown us an email they say was sent. That appears to me to be in the format I would expect, and the addresses used look to me to be correct.

L&C is adamant this email was not received. It's shared with us internal communications, which detail the search it has done for emails from either Mr F or Ms J, and the results. L&C says this shows that the email wasn't received in its organisation. The implication is either that the email was not sent, or that something external to L&C's systems has gone wrong, and the email was never received.

However, I note that the results of L&C's search say that between 15 September and 30 September, Mr F and Ms J only emailed one named contact within the organisation, and they only did so on two dates, 29 or 30 September. L&C has told us that this search covered emails sent to anyone within its organisation, and emails sent with and without attachments.

But the email exchange that Mr F and Ms J sent us, to show that they submitted the requested documents, is with a different member of staff. And I can see that, further down the same email chain, there is an exchange of emails they had with a member of L&C's staff, on 15 September. The emails from L&C ask for more information, and include an email in reply saying Mr F and Ms J are on holiday.

I think it's important to note here that what I can see on this email chain fits with what L&C said in its final response letter to Mr F and Ms J, that it had been in touch with Mr F and Ms J on 15 September, and it was made aware then that they were on holiday.

So it does look to me as if L&C did have at least one other email exchange with Mr F and Ms J during the period it has searched. But that email doesn't seem to have been picked up by L&C's subsequent search.

I have considered the evidence that L&C has sent to our service, and I've been unable to conclude that L&C's search is as robust as it has suggested. I don't think what L&C has said rules out that Mr F and Ms J emailed documents to L&C on 22 September, as they suggested, and their email copies would seem to show. Rather, I think it's more likely than not that this email of 22 September which Mr F and Ms J have shown to our service, was sent as they've said.

I do think, though, that Mr F and Ms J's application didn't fail solely because this email wasn't actioned by L&C. It does appear as if L&C had warned Mr F and Ms J of the upcoming withdrawal of their rate, and that documents needed to be submitted at the latest by 25 August. So I think it may have been prudent to check that the documents they sent were safely received on or before this date.

Our investigator suggested a payment of £150, which she said would be in respect of the stress and inconvenience L&C's mistakes had caused. I have weighed up all the above issues, and I do that's appropriate here. I think this would provide a fair and reasonable outcome to this complaint. So that's what I currently propose to award.

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 F and Ms J simply acknowledged receipt of my provisional decision, but didn't comment further.

L&C replied, to say that it would stand by the fact that it had no record of having received the email of 22 September from Mr F and Ms J. But L&C said it could understand why this had been brought into question, because that other email I'd identified, of 15 September, hadn't shown up on its IT checks.

L&C said it couldn't replicate those IT checks now, so it could tell what had gone wrong. These checks are only able to look back a certain number of months. So L&C said it would just like to say that it could understand the outcome reached, and would accept it.

Neither side has offered 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 London and Country Mortgages Ltd must pay Mr F and Ms J £150 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Ms J to accept or reject my decision before 31 October 2023.

Esther Absalom-Gough
Ombudsman