

The complaint

Miss P complains about the service she received from London and Country Mortgages Ltd (“L&C”) when she tried to remortgage a buy to let (“BTL”) property. She said they caused delays which meant she ended up paying a higher interest rate on her mortgage.

What happened

Miss P said L&C was supposed to arrange a new consumer BTL mortgage for her rental property and said they caused considerable delays in trying to do so. She said they ended up just closing her case without telling her. Miss P said she ended up having to pay much more interest on her mortgage as a result and she wanted L&C to cover these costs.

At first, L&C told Miss P that they didn’t do anything wrong. They said as part of the application process, they wrote to Miss P asking for further information which she hadn’t provided. Miss P said she had replied and told L&C she would forward the emails to them so they could investigate the matter.

After investigating further, L&C said that the emails that Miss P forwarded to them were not attached to the case and the adviser has no recollection of receiving them, so they said they possibly didn’t get through to him. They apologised and offered her £50 as compensation for this.

Miss P wasn’t happy with what L&C said so she brought the complaint to the Financial Ombudsman Service where it was looked at by one of our investigators. She didn’t think that L&C had caused delays as they were waiting for information from Miss P. She said they also made it clear that interest rates were not guaranteed – so she thought the £50 offered was fair.

Miss P disagreed. She said L&C did admit to causing delays and it’s clear that she sent all the information prior to her interest rate expiring. She said she was never notified that her case had been closed by L&C and there is no evidence that they contacted her to tell her this.

Miss P believes that she sent all the required information to L&C and if it hadn’t been received, why did they not contact her again asking for the information to be sent to them – instead they just closed her case.

She doesn’t believe that the emails she sent were not received by them. She said that the investigator said that the adviser always responded swiftly in any communication with Miss P and as there was no communication after, she didn’t think they had received the emails from her. Miss P said just because L&C always responded swiftly previously it didn’t mean that they hadn’t received the emails she sent. She said it could be more likely that their workloads were heavy, and her information was lost or forgotten about.

As Miss P disagreed with the investigator, she asked for the complaint to be reviewed by an ombudsman, so it has been passed to me to decide.

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 P has told us that she was trying to arrange a remortgage with L&C and she felt there was a lot of back and forth which she found very stressful. She said she has been accused of not sending information to them and will be thousands of pounds out of pocket because she has lost out on lower mortgage interest rates. She said she should be awarded much higher compensation and should be offered lower interest rates with fees waived.

I have taken a look at the contact notes that have been provided by L&C to understand the timeline of events.

An appointment was made with L&C for 5 May 2022 to discuss a remortgage of Miss P's BTL property. It appears that Miss P attached some documents online prior to the appointment.

The adviser contacted Miss P later that day to say that they did not have the two years tax calculations and overviews attached. They asked Miss P to resend these. I can see a few emails were sent back and forth between Miss P and the adviser.

There is another note on the same day which says that Miss P's credit report was also requested. It seems as though Miss P provided something to the adviser but then the adviser responds to say he needs the full report and not a screenshot.

There was a telephone conversation on 9 May 2022 where Miss P rang to speak to the adviser who went through the status of the case. The note says that the credit report still wasn't the full one that he had asked for but was working off what he could for the time being. The notes says he needed to check with some different lenders as an 'arrangement to pay' is treated differently by some lenders so he needed to look into this further. He said it could take another couple of days and that retention rates were discussed with Miss P as well.

The note from 17 June 2022 suggests that an appointment was made with Miss P to discuss the position of her case and a discussion was had about the information the adviser had obtained from the lenders. It also mentions that some of the documents that had been sent were still not in the preferred format. It looks like Miss P told the adviser she may not be able to get the information needed until after 25 June 2022 but will try to get them over as soon as possible. The adviser then explains he is on leave from then until 11 July 2022.

There was an email sent to Miss P on 24 June 2022 chasing up the required documents.

There is an email from Miss P to the adviser on 27 June 2022 apologising that she couldn't take his call and she will wait until he gets back from annual leave. She also had some queries regarding the mortgage fees.

There is also an email where I can see Miss P is letting the adviser know that her interest rate has increased and she wanted an update on her application.

The adviser responded saying that it's likely interest rates would change by the time he returned from leave and said he is happy to deal with it when he returns but there is a risk that rates would increase. He also reminded Miss P on the information he still required which was proof of child/working tax credit and child benefit information. He asked for a full copy of Miss P's credit file report and tax year overview calculations for 2021 and 2020 in PDF format.

There is then an email sent to Miss P on 21 July 2022 which says they've not heard from her, and they are still waiting for the outstanding documents. Miss P then responds on the same day saying she's not sent anything, but she still wants to remortgage. She said she has concerns about the fees and if a 'crash' is coming she will be stuck on a higher rate of interest. She asks if she can think things through and get back to the adviser in a few weeks.

The adviser responds saying this is fine and reminds Miss P again that any previous rates they discussed are subject to change at a rapid rate given the market movement. He says he will archive the case and when she is ready, they can either re-instate it or cross reference the details. Again, a reminder was given about the documents they were still waiting for as they couldn't give a recommendation without them.

On 7 September 2022 Miss P emails the adviser and asks what the cheapest fix rate is available including the fees. She said she is waiting to access her credit file. The adviser responds saying he is on leave but if she gets what he needs in the meantime, she can contact one of his colleagues.

On the 14 September 2022 Miss P explains she now has what she needs to access her credit file and will send the documents over. The adviser responds and says he will wait to hear from her.

Miss P then logs a complaint on 27 September 2022 saying she is unhappy that her case was closed without her knowledge and she said she was unhappy with the adviser.

Miss P said the last contact she had was 14 September 2022 where she sent all requested documentation. She assumed as she had heard nothing that the adviser was trying to find her the best deal.

Having looked through everything very carefully, I can't agree with Miss P that L&C did anything wrong. After L&C chased Miss P, Miss P responded on 21 July 2022 saying she hadn't sent anything and wanted to think about things for a few weeks – which was fine for her to do so. The adviser responds to this email confirming that wasn't a problem but explains to Miss P that the file would be archived until she was ready – and they could then reinstate it. They reminded Miss P again what documentation they were waiting for.

Even though this email doesn't specifically mention the word 'close', the adviser told Miss P that the case would be archived, and they could reinstate it when she got back to them. So I think L&C made it clear to Miss P what the next steps were and what was going to happen with her case.

The last email on record after this point, and about the application is on 14 September 2022 where Miss P explains she has what she needs to send over her credit report. And the adviser responds to say he will wait to hear from her. There isn't anything logged after this date until Miss P raises a complaint.

L&C told us that Miss P provided them with the emails she sent them which were dated 14 and 26 September 2022. L&C said the missing emails contained two bank statements and a shortened version of the credit file report which they said still wasn't suitable as they needed to see her full report. They also said the tax documentation they requested hadn't been sent either at this point.

I appreciate that Miss P did send these emails, but it doesn't look like they were received by L&C. Having looked through everything, there is no record of those emails being received, so I can't hold L&C responsible for not acting on them.

And even if they had been received, it appears that the information Miss P did send, still wasn't everything that L&C had asked for – so the application wouldn't have been ready to proceed.

I understand that Miss P has concerns about the interest rates now available to her, but I think the adviser has made it clear that interest rates were rising due to the market conditions so Miss P would have always been aware of this – even up to the point that she said she wanted to think about it as she had concerns over the fees.

I know that Miss P will be disappointed with my decision, but I can't find that I can hold L&C responsible for emails that appear to not have been received. I think the adviser has been clear throughout his communication and has always told Miss P what the next steps were

going to be. I think the £50 they have offered is fair and reasonable in the circumstances of this complaint.

My final decision

For the reasons given above, I don't uphold this complaint. I think the compensation amount of £50 offered by London and Country Mortgages Ltd is fair and reasonable. They should pay this to Miss P if they haven't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 15 November 2023.

Maria Drury
Ombudsman