

The complaint

Mr B's complaint is that, because of delays by more 2 life Ltd trading as Standard Life Home Finance (and referred to her as SLHF) and its solicitors, his mortgage offer lapsed. When SLHF issued a new offer, it was at a higher rate of interest. To settle the complaint Mr B wants SLHF to honour the original interest rate.

What happened

I do not need to set out the full background to the complaint. This is because the history of the matter is set out in the correspondence between the parties and our service, so there is no need for me to repeat the details here. In addition, our decisions are published, so it's important I don't include any information that might lead to Mr B being identified. So for these reasons, I will instead concentrate on giving the reasons for my decision. If I don't mention something, it won't be because I've ignored it; rather, it'll be because I didn't think it was material to the outcome of the complaint.

Briefly, Mr B had an equity release lifetime mortgage with a lender I will call J. In 2022 Mr B decided to take out a new mortgage with SLHF and redeem the mortgage to J, after taking advice from his own independent financial adviser (IFA). A mortgage offer was issued and, as is standard industry practice, Mr B had his own solicitors acting for him (M&M) and SLHF had its own solicitors, (RA).

A mortgage offer was issued on 15 March 2022 for an amount of £240,000 at an interest rate of 3.35%. The offer was valid for 42 days from that date. Initially the mortgage offer was issued to the solicitors Mr B's IFA had stated on the application form would be acting for Mr B. This was quickly corrected, with the instructions sent to M&M on 16 March 2022.

M&M reported to RA that the title to the property was on the Sasine Register, which is an archaic paper-based system involving historic documents. Because conveyancing in the 21st century is electronic, it was necessary for M&M to arrange for the property to be registered on the Land Register before the security (the mortgage) could be put in place. This, of course, would add to the time needed to complete the transaction.

The mortgage offer, which was due to expire on 26 April 2022, was extended by SLHF to 9 June 2022. SLHF explained to RA, M&M and Mr B's IFA that if the mortgage didn't complete by that date, a new offer would be issued at the prevailing rate of interest.

The issues with the property registration were resolved and on 19 May 2022 M&M advised RA that Mr B would be attending an appointment to sign all the documents on 27 May 2022. On 24 May 2022 RA requested a redemption statement from J and the letter said that this was needed for a completion date of 7 June 2022. This was chased on 6 June 2022 and again on 10 June 2022.

M&M posted documents to RA on 30 May 2022, which weren't received until 7 June 2022 (due to Bank Holidays on 2 and 3 June 2022 and the weekend that followed).

The redemption statement was received on 16 June 2022, showing a shortfall of £55,000. Mr B had confirmed that he still wanted to go ahead, although SLHF had confirmed this would be on a new mortgage offer, as the previous offer had now lapsed.

Mr B raised his complaint with SLHF on 14 June 2022. A new mortgage offer was issued, and although Mr B had since had a birthday and so could have borrowed more money, he decided to go ahead with the original sum of £240,000. A new mortgage offer was issued on 23 June 2022 at an interest rate of 4.12%. The mortgage offer was valid for 26 days from that date – which is 42 days from the date the previous offer expired on 9 June 2022 – and so would expire on 19 July 2022.

RA had contacted M&M over the shortfall on 16 June 2022 but M&M didn't reply until 30 June 2022 asking questions about the process for paying the shortfall. The new mortgage offer had still not been accepted at this point. It wasn't until 14 July 2022 that completion finally took place.

In its final response letter dated 5 August 2022 SLHF didn't uphold the complaint. After going through the timeline of events, SLHF explained that it didn't believe the delays were as a result of anything it had, or had not, done.

Dissatisfied with this response, Mr B escalated his complaint to our service. Mr B said that his legal team had been ready to complete on 7 June 2022 and that the only reason it didn't is because RA failed to obtain the redemption statement in time.

An investigator looked at what had happened. However, the investigator didn't think SLHF or RA were at fault. Rather, he was satisfied that the delays in the transaction were due to the actions of third parties, which were outside the control of SLHF.

Mr B disagreed with the investigator and asked for an ombudsman to review the complaint. He's reiterated the points he's previously made about the time taken to complete the transaction and why he considers this to be the fault of SLHF and RA.

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.

Having done so, I have reached the same conclusion as the investigator, for broadly the same reasons.

The crux of the complaint is that Mr B says that SLHF is at fault for not requesting the redemption statement in time. However, the timeline of events doesn't persuade me that SLHF is to blame for this.

This was not a straightforward transaction, due to the need to transfer the property from the Sasine Register to the Land Register in order to ensure that there was appropriate security for the mortgage, in line with modern conveyancing practice. That's not something for which I can hold SLHF responsible.

I would not expect RA to have requested the redemption statement until after it had received confirmation from M&M on 24 May 2022 that Mr B was ready to sign the legal charge. This is not, as Mr B suggests, "*a mere detail*". Before being able to request the mortgage funds from SLHF, RA would have needed to ensure Mr B was ready to complete the mortgage. There is no Scottish equivalent of an English equitable charge (where a lender can register its interest on the property title even if the mortgage deed hasn't been signed).

Therefore it was correct for RA to ensure that Mr B was ready to sign the documents before proceeding any further.

The documents RA required were not received by it until 7 June 2022, even though they'd been posted by M&M on 30 May 2022. I note 2-5 June inclusive were either Bank Holidays or weekend days, when RA would not be open.

I'm satisfied that SLHF requested the redemption statement on 24 May 2022, and that the letter (that was faxed to J) states in bold type that this is required by 7 June 2022. I don't know why J didn't respond to that request, or to the chaser on 6 June 2022 and the subsequent chaser on 10 June 2022. That's something Mr B will need to raise with J, as that business is not a party to this complaint.

I appreciate how frustrating it must have been for Mr B that completion didn't take place before the mortgage offer expired. I'm satisfied SLHF was entitled to issue another offer at the prevailing interest rate, and that it had explained this in advance to M&M and Mr B's IFA when the extension to the original offer was issued. If either of those parties didn't make this clear to Mr B, that's something he'll need to discuss with M&M and his IFA.

In all the circumstances, after reviewing the timeline of events, I'm not persuaded that SLHF is at fault.

My final decision

My final decision is that I don't uphold this complaint.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any correspondence about the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 19 December 2023.

Jan O'Leary
Ombudsman