

The complaint

Mr and Mrs C complain about delays when they applied to re-mortgage with Clydesdale Bank Plc. They ask for compensation for their interest costs and a shortfall at completion.

What happened

Mr and Mrs C applied to Clydesdale, via a broker, in May 2022. They wanted to re-mortgage and take out additional borrowing to repay a help to buy equity loan. The mortgage didn't complete until early 2023. Mr and Mrs C were on their lender's standard variable rate (SVR) from August 2022, which they say caused financial difficulties. Mr and Mrs C also say Clydesdale changed lending criteria during the delays and this meant they had to make up a shortfall at completion.

Clydesdale said the application had taken longer than usual and offered £200.

Our investigator said the delays related to matters outside Clydesdale's control. He said Clydesdale hadn't treated Mr and Mrs C unfairly and its offer of £200 was fair.

Mr and Mrs C didn't agree. Mr C said Clydesdale was responsible for the solicitor it appointed.

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 C are unhappy about the service provided by their broker, Clydesdale and its solicitors, which they say contributed to delays with their re-mortgage completing.

I must be clear that I'm only looking into Mr and Mrs C's complaint about Clydesdale here. Their complaint about the broker is being looked into separately. We can't look into Mr and Mrs C's concerns about the actions of the solicitor. I should also explain that where the evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Mr and Mrs C submitted an application to Clydesdale on 20 May 2022 via a broker. The broker submitted supporting documents in early June 2022. A valuation was carried out on behalf of Clydesdale in late May 2022.

Based on the available evidence, I don't think Clydesdale was responsible for delays in documents being submitted to support the mortgage application or unreasonably asked for documents to be re-submitted. It asked for Mr C's payslips in July and again in August 2022 because it hadn't received them. It asked for eight payslips because the mortgage application said Mr C was paid weekly.

On 1 September 2022 Clydesdale said it couldn't offer a two-year rate as this wasn't affordable, but it could offer a five-year rate subject to further income evidence. Mr and

Mrs C went ahead on that basis. I think Clydesdale was entitled to ask for updated payslips and other income evidence in September 2022, given time had passed since the application had started and it was concerned about affordability.

Clydesdale issued a mortgage offer in late September 2022 and re-issued a legal pack to its solicitors on 4 October 2022.

Clydesdale accepts that it took longer than usual to issue a mortgage offer. I don't think it was mainly responsible for the delays. First, it had to wait for Mr C's payslips (which it chased the broker for). It then assessed the mortgage as affordable only if the product was changed, and this was subject to further income evidence. I don't think there was any unnecessary delay with it then issuing the mortgage offer and instructing its solicitors to complete the work required for completion.

Based on the available evidence, I don't think Clydesdale was responsible for delays with the mortgage completing.

It seems Mr and Mrs C expected the help to buy scheme administrator to rely on the valuation instructed by the lender in late May 2022. I don't know if the help to buy scheme administrator had said this was acceptable (the help to buy scheme rules say valuations for mortgage purposes aren't accepted). The scheme rules also say the valuation can't be more than three months old. Even if the scheme administrator did agree to accept the mortgage valuation addressed to Clydesdale, it would have been out of date by late August 2022.

Mr C says that Clydesdale should have arranged a second valuation, after the first valuation became out of date for the purposes of the help to buy scheme. Clydesdale is entitled to ask for a valuation of the property to help it make a lending decision and assess whether the property is suitable security. I don't think Clydesdale had fairly to arrange or pay for a further valuation for the benefit of the help to buy administrator.

The solicitor told Mr C on 11 October 2022 that the help to buy redemption statement had expired. The solicitor asked Mr C for the help to buy loan redemption statement in early November 2022. This wasn't provided to the solicitor until 12 December 2022 – two months after the solicitor had told Mr C the previous statement had expired.

The mortgage application asked for additional borrowing of £34,000 to consolidate the help to buy loan. This wasn't enough. But I don't think Clydesdale would have known this at the outset, or that Mr and Mrs C didn't have funds available to repay the difference.

When the shortfall was identified (by the solicitor), the broker asked if Clydesdale would lend more. I appreciate there were changes in the economic environment in late 2022. But Clydesdale had previously assessed the mortgage as just affordable with a five-year product (and not affordable with a two-year product). So I don't think I can fairly find that it would have offered a larger loan, even if the shortfall had been identified earlier. And I don't think it was unfair for Clydesdale to decline to increase the loan, given its concerns about affordability.

Clydesdale wasn't responsible for Mr C's name being misspelt in the application. I agree that it didn't spot this, and it made the same error in the mortgage offer. But the broker and even Mr and Mrs C didn't spot the error in the mortgage offer either. The broker contacted Clydesdale which arranged for a corrected mortgage offer to be sent out the same day. I don't think this error caused delays.

Clydesdale said the application had taken longer than usual and offered £200 to Mr and Mrs C. I think this is fair and reasonable in the circumstances.

My final decision

My decision is that Clydesdale Bank PLC should pay £200 to Mr and Mrs C, as it offered to do (unless of course it's already made the payment).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr C to accept or reject my decision before 21 November 2023.

Ruth Stevenson
Ombudsman