

## **The complaint**

This complaint is about mortgage advice Miss F received from a broker firm that is part of Connells Limited. She's unhappy that the broker told her the mortgage she wanted was unaffordable. This was despite her already being in possession of a decision-in-principle (DIP) for the mortgage she wanted. The DIP had been issued by a different broker firm whose advice and service she was happy with. Miss F says she was effectively coerced into speaking to Connells' broker by the estate agent that was selling the house she was interested in buying.

## **What happened**

The broad circumstances of this complaint are known to Miss F and Connells. I'm also aware that the investigator issued a response to the complaint, which has been shared with all parties, and so I don't need to repeat all of the details here. Instead, I'll provide a brief summary of the key points, and then focus on the reasons for my decision.

Miss F viewed a property through one of Connells' estate agency businesses, and made an offer. She already had a DIP for a mortgage of a certain amount from a lender I'll call N, arranged by a mortgage advisor from a broker firm I'll call C. Although owned by Connells, C is a separate and discrete legal entity in its own right.

Miss F says she was pressurised by the estate agent to speak to a Connells mortgage advisor. She did so, albeit she says reluctantly, and the Connells mortgage advisor carried out a fact-find and affordability assessment which concluded that the mortgage wasn't affordable. The seller of the property wouldn't stop taking viewings and eventually Miss F lost the property to another buyer.

The complaint to us initially focussed as much on the alleged behaviour of Connells' estate agent as the conduct of the mortgage advisor. However, this service has no remit to look at the actions of the estate agent; that was eventually addressed separately in a complaint Miss F made to the Property Ombudsman. Our investigation was confined to the actions of the Connells' mortgage advisor, and the investigator's view was that Connells hadn't done anything wrong.

Quite late in the investigation, evidence had been extracted about the fact-find conducted by Connells' mortgage advisor, which Miss F said was inaccurate. At that stage, the investigator said this was a new complaint and would need to be looked at by Connells first and then referred to us after a final response had been issued. The first complaint came to me for review.

Normally, I'd have agreed with the second complaint about the accuracy or otherwise of the fact-find being treated as a separate complaint, but here, I didn't think that approach worked. The essence of the problem here is that Miss F was looking at what the Connells' mortgage advisor had said about affordability of the mortgage she aspired to, comparing it with what C's advisor had already said, and complaining about the disparity between the two. In simple terms, her starting point there was, in effect: "C's advisor was right so Connells' mortgage advisor must be wrong".

The problem with that is that we couldn't start from the assumption that C's advisor was right, nor could we even consider whether C's advisor was right or not. All we could do was consider whether and to what extent Connells' mortgage advisor was right (or wrong) and in doing so couldn't use C's advisor as a reference point. It was therefore necessary that we explore the information-gathering exercise conducted by Connells' mortgage advisor; in other words, the fact-find. That was the only way we could judge the actions of Connells' mortgage advisor on their own merits.

Accordingly, then, we arranged for Connells to investigate Miss F's second complaint, to allow us to incorporate the outcome of that into the existing complaint. When we did that, the investigator now dealing with the case agreed with Connells that there was nothing fundamentally wrong with the fact-find exercise. However, she identified some communication failings on Connells' part and recommended an award of £200 compensation for Miss F's time, trouble and upset. Connells accepted this, Miss F did not, so the case is back with me.

### **What I've decided – and why**

I'll start with some general observations. We're not the regulator of financial businesses, and we don't "police" their internal processes or how they operate generally. That's the job of the Financial Conduct Authority (FCA). We deal with individual disputes between businesses and their customers. In doing that, we don't replicate the work of the courts.

We're impartial, and we don't take either side's instructions on how we investigate a complaint. We conduct our investigations and reach our conclusions without interference from anyone else. But in doing so, we have to work within the rules of the ombudsman service, and the remit those rules give us.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

First of all, I will take the opportunity to reinforce the demarcation line between the mortgage advice and estate agency side of things, as it seems to me that Miss F still feels aggrieved over the pressure she felt under to consult with Connells' mortgage advisor in the first place. That's been dealt with by the separate complaint Miss F made to the Property Ombudsman; it's not something that falls within my remit.

Confining my consideration to the actions of Connell's advisor, I'm afraid I have to disappoint Miss F. I can't start from the assumption that the DIP Miss F received from N required Connells to source her a mortgage for the same amount, or that the failure to do so means the assessment of affordability by Connells' mortgage advisor was necessarily flawed.

That assessment can only be judged on its own merits, and when I do that, chiefly by reference to the fact-find exercise, I'm not persuaded there were substantive errors on the part of the advisor. I've looked at the areas where Miss F says the fact-find was incorrect, and like the investigator, I don't find them to have been materially wrong. The wording used may have been slightly different from what Miss F has said, but not to the extent that that any differences would create a misleading impression or in any skew the outcome of the affordability assessment.

What that means is that on the main thrust of Miss F's complaint, I'm not able to find in her favour. She is, however, due fair compensation for the worry and stress she experienced due to Connells not communicating with her properly when she supplied it with the DIP from N.

Even in the best-ordered situation, some things can or will go wrong in such a complex transaction as a house purchase, and some degree of stress and inconvenience is to be expected. No two cases are the same, and the consumers' circumstances are different in every case. Taking into account what Miss F has told us about her health situation at the time of these events, I agree with our investigator that £200 is fair.

I said at the outset that I wouldn't be commenting on every single point, and I haven't. I have, as I said I would, confined myself to those matters that I consider have a material effect on the outcome. I can see from her submissions how important this is to Miss F. That's a natural reaction, and entirely understandable when you're as close to a situation as she is here.

But I have a different remit. I have to be objective, and impartial, and sometimes that means stepping back from the fine detail, taking an overview and deciding what is fair, reasonable and pragmatic in all the overall circumstances of the case. It also means that I'm not required to provide answers to every specific question that comes up if I don't consider doing so will affect the overall outcome.

### **My final decision**

My final decision is that I uphold this complaint in part. In full and final settlement, I direct Connells Limited to pay Miss F £200.

My final decision concludes this service's consideration of this complaint, which means I'll not be engaging in any further consideration or discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 29 November 2023.

Jeff Parrington

**Ombudsman**