

The complaint

Mr and Mrs B complain that Fluent Money Limited failed to arrange them a mortgage.

What happened

Mr and Mrs B took advice from Fluent Money about consolidating their unsecured debts. They were initially interested in a second charge loan, but Fluent Money advised that it would be better to re-mortgage their first charge mortgage.

Fluent Money initially recommended a mortgage with one lender, but that lender rejected the application on affordability grounds. So Fluent Money recommended an application to a second lender, which I'll call P. It said P would lend around £260,000, enough to clear the existing mortgage and Mr and Mrs B's other debts.

Mr and Mrs B agreed to the application to P. They were initially uncertain, but Fluent Money reassured them that the loan was likely to be approved based on P's lending criteria, subject to a satisfactory valuation.

On 17 May 2023 Mr and Mrs B paid a valuation fee and their application proceeded. The valuation was carried out. The valuer said that the property was worth significantly less than Mr and Mrs B thought. Based on the valuation, P would only lend around £240,000.

Mr and Mrs B disagreed with the valuation, and thought the valuer had made errors in the report. Fluent Money agreed to contest the valuation, and P agreed to consider an appeal.

At the end of June, Fluent Money told Mr and Mrs B that P had agreed the valuation was incorrect and was waiting for a response from the valuer.

In July, following changes to the Bank of England base rate, P changed its lending criteria. As a result it would now only lend £208,000.

Mr and Mrs B complained. They said that things had taken too long and Fluent Money had at times not kept them updated, and at other times had promised them they would be able to borrow what they needed, only for that to turn out not to be the case. They're also unhappy with how it handled their complaint.

Fluent Money said it had acted fairly, and done its best to help Mr and Mrs B – even offering to waive its own fee to boost the amount they would receive from the borrowing. It said it wasn't to blame for what happened with the valuation and had done its best to try and resolve the situation with the lender. But ultimately it was up to the lender to decide whether to lend.

Our investigator agreed that issues with the valuation and the delay resolving it were better directed to P than to Fluent Money. He thought that overall Fluent Money had tried to help Mr and Mrs B and done its best to try to get them the loan they wanted. But he thought that it had at times been too confident in promising Mr and Mrs B would be able to borrow the full amount, and that failure to manage expectations had contributed to their overall upset about

what had happened. He thought Fluent Money should pay them £100 for its part in what had gone wrong.

Mr and Mrs B accepted that, but Fluent Money didn't. It said that it had passed on its expectations of what the lender ought to do, and wasn't to blame if P didn't live up to those expectations. It had done its best to secure the loan for Mr and Mrs B and wasn't to blame for it not going ahead. It was reasonable for it to be optimistic about the prospects of securing the loan when discussing it with Mr and Mrs B. It said that holding it responsible for the failings of third parties would "set a dangerous precedent" and likely result in it doing less not more for customers in future.

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.

There's no real factual dispute at the heart of this case. All parties agree that there was an issue with the valuation that P carried out, which led to it reducing the amount that it was willing to lend to Mr and Mrs B. And that changes to P's lending criteria before that was resolved meant that even if the valuation was changed, Mr and Mrs B still wouldn't be able to borrow what they needed.

I'm satisfied Fluent Money isn't to blame for that. Lending decisions are a matter for lenders, not brokers. Fluent Money couldn't predict, and couldn't be blamed for, the decision by P to change its lending criteria. Nor is it responsible for the valuation – which was arranged by the lender and carried out on the lender's behalf. And Mr and Mrs B paid the valuation fee to P, not to Fluent Money, so Fluent Money isn't responsible for that either.

I agree that overall Fluent Money worked hard to secure the lending for Mr and Mrs B. It identified a lender whose criteria they met, and gave Mr and Mrs B clear advice about their options – including about the impact of other borrowing they were considering. I find no fault with the advice Fluent Money gave to Mr and Mrs B.

And, as I say, the decision on whether a loan resulted was a matter for P, not Fluent Money. But I do think Fluent Money could have done more to manage Mr and Mrs B's expectations – there were times when it appeared to promise things that were beyond its control or turned out not to be the case, such as assuring Mr and Mrs B that the loan was "locked in" subject to valuation, or that it would "make sure" that P would honour the interest rate and loan amount originally discussed.

I agree with our investigator that this added to the upset Mr and Mrs B felt when they ended up not getting the mortgage that they wanted. Fluent Money had raised their expectations by promising more than it could itself deliver.

I've considered what Fluent Money has said about this. Firstly, each case decided by the Financial Ombudsman Service is decided on its own merits, and no one case sets a precedent for any other. I've only considered the facts of this case. I agree that it's not appropriate to hold Fluent Money responsible for the failings of others. If there was an error with the valuation, or if P unfairly refused the lending (I make no findings on either question; I have not investigated complaints against P or about the valuation), then that is not the responsibility of Fluent Money or because of something Fluent Money did wrong. However, by the same token I don't think it's reasonable for Fluent Money to promise or appear to offer guarantees that a third party will do something – whether or not those expectations of what the third party should do are correct.

Fluent Money is not responsible for the failure of this loan. It gave appropriate advice, and did its best to arrange it for Mr and Mrs B. But when problems – not of Fluent Money's making – started to arise, it led Mr and Mrs B to believe that everything would be sorted out when it couldn't deliver that, and ought to have warned Mr and Mrs B that it might not be sorted out. This failure to manage expectations contributed to the upset Mr and Mrs B felt about the failure of the application and the impact of that on them. I agree that compensation of £100 for its part in the upset caused is fair in all the circumstances.

My final decision

My final decision is that Fluent Money Limited should pay Mr and Mrs B £100 to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 22 April 2024.

Simon Pugh
Ombudsman