

The complaint

Mr and Mrs C complain about the way that Fluent Money dealt with them when it acted as mortgage brokers for them during a mortgage application. They said that as a result of its errors, the product and broker fees were not added to the mortgage as they requested.

What happened

In November 2021 Mr and Mrs C sought mortgage advice from Fluent Money. They said that they had different members of staff asking them for information – and sometimes that was information they'd already provided. Mr and Mrs C said this caused delays, that Fluent Money's customer service was "appalling" and it took until May 2022 for the mortgage to complete.

Mr and Mrs C said they told Fluent Money they wanted the product fee of £995 and broker fee of £1,495 added to the mortgage and they were led to believe that they would not have to pay those fees from their own funds. But on completion there was not enough left to pay the broker fee. As a result, they had to find a further £340.80 to pay the solicitors and had to repay the broker fee in instalments over four months. They want Fluent Money to refund the shortfall amount of £340.80 and to refund the broker fee. Mr and Mrs C said this matter has affected them financially and has caused the stress and anxiety at what was already a difficult time.

On review the investigator thought that Fluent Money should have been aware there was a shortfall and that it ought to have told Mr and Mrs C about that before the mortgage completed. She thought that Fluent Money should pay Mr and Mrs C £300 for any distress and inconvenience.

Fluent Money did not respond. Mr and Mrs C did not accept what the investigator said. They said the legal costs should have been free as stated in the mortgage offer – but they had to pay £340.80 .

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.

Delays

I agree that the application took longer than I would usually expect. But there is no evidence that Fluent Money was the cause of the delays. I am satisfied with its explanation that the time taken was due to factors outside its control.

Legal fees

Fluent Money had a duty to provide Mr and Mrs C with clear, fair and not misleading information. The mortgage offer said that the mortgage had "*Free legal fees if using lender's conveyancer.*" I consider it was reasonable for Mr and Mrs C to understand that they would not need to pay anything to the solicitor in respect of the remortgage.

The correct position is that the legal fees were covered for a standard remortgage – but additional fees and costs incurred by the solicitor (such as discharging the second charge) were not covered. In my experience, that is consistent where free legal fees are offered as part of a mortgage.

I can't see any persuasive evidence that Fluent Money gave Mr and Mrs C clear, fair and not misleading information about what the "free legal fees" actually meant. But where a business has not given a consumer enough information, we look at what they are likely to have done had they been given the correct information.

I think it would be difficult for me to argue that Mr and Mrs C would not have chosen the "free legal fees" even if it had been explained that they would have to pay any additional costs over and above the solicitor's basic costs. The only alternative was to not go ahead with the remortgage or arrange their own legal work. That would have meant they'd have to pay all the legal fees including any amounts for additional work and costs – so they would not have been any better off. And I note that it appears Mr and Mrs C were given further information by the lender and the solicitor about what the free legal fees did not include.

I consider it unlikely that if Fluent Money had explained the correct position, that Mr and Mrs C would have done anything differently. So they would always have had to pay the additional amounts. I agree that they have suffered disappointment and stress when they found out about that. I will consider that below.

Broker fees

The mortgage offer does not say that the broker fee was being added to the mortgage. Rather, Fluent Money said the amount borrowed was thought to include the fee so that Mr and Mrs C could pay it with the proceeds of the mortgage. But the amount needed to repay their existing mortgage was higher than originally understood – so there was not enough left from the proceeds of the mortgage to pay the broker fee.

I agree that Fluent Money knew Mr and Mrs C wanted to pay the broker fee from the proceeds of the mortgage – and that it had enough information to know that there would not be enough left over to do that once it knew about the revised redemption amount for the existing mortgage. So Fluent Money ought to have done more to make sure Mr and Mrs C understood that.

As far as I can see there were two options available to Mr and Mrs C. The first would have been to increase the amount they borrowed. But the evidence we have suggests the lender would not agree to that. So the only option available to Mr and Mrs C was to pay the broker fee out of their own pocket. That is what they did in instalments. But I can't see they've suffered a financial loss because of that. I say that because if they had increased the

mortgage amount to accommodate the broker fee, they would have had to pay interest on the fee over the term of the mortgage.

I accept that Mr and Mrs C were surprised they weren't left with enough to pay the broker fee – and that was due to Fluent Money not communicating with them fairly. But they haven't shown they've suffered a loss because of that. I will deal with the impact on them below.

Compensation

I've found that Fluent Money did not treat Mr and Mrs C fairly. It did not give them sufficiently clear information about the free legal fees and broker fee for Mr and Mrs C to make an informed choice about what to do. But I don't consider they've suffered a financial loss because of what happened – they would always have to pay the additional legal fees and they have "saved" money by not adding the broker fee to the mortgage.

I accept it came as an unexpected surprise to Mr and Mrs C that they had further amounts to pay and that caused them worry and stress. But in all the circumstances, I consider the amount proposed by the investigator is a fair and reasonable way to settle this complaint.

My final decision

My final decision is that Fluent Money Limited should pay Mr and Mrs C £300.

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 15 February 2024.

Ken Rose
Ombudsman