

## The complaint

Miss W complains about delays caused by Target Servicing Limited (Target) when she tried to remove her ex-partner from their joint mortgage.

## What happened

Miss W and her ex-partner had a joint mortgage. They bought their property using a government backed “Help to buy” (HTB) loan. Target is the administrator of the HTB loan, but the lender is a separate business who I’ll refer to as H.

In order to arrange for Miss W’s ex-partner to be removed from the joint mortgage, H had to provide a Deed of Postponement (DOP). And Target was involved in the administration of arranging for the DOP to be sent to H to be sealed.

Miss W obtained a mortgage offer from her existing lender. This offered her a new mortgage rate and meant she didn’t need to pay the early repayment charge (ERC) on her existing mortgage with her ex-partner. Miss W says that delays in the DOP being sealed meant that the mortgage offer she had secured with her existing lender expired before she was able to complete. Miss W complained that if she now approaches another lender, she will incur an ERC of around £6,000. Miss W wants Target to pay this to her as compensation.

One of our Investigators looked into the complaint. He said that Target had caused delays of around four weeks. He thought we couldn’t compensate Miss W for delays caused by H. He thought Target should pay £200 compensation for the delays it was responsible for. Miss W didn’t accept this and asked for the complaint to be reviewed by an Ombudsman. So, it was passed to me to consider and make a decision.

Having reviewed the complaint, I came to a different opinion than our Investigator. So I issued a provisional decision on 16 January 2024. In this, I said:

*First, it’s important that I set out I can only consider a complaint about Target. The lender, H, doesn’t fall within my jurisdiction. However, in administering the loan on the lender’s behalf Target is carrying out the regulated activity of debt administration – which means it is responsible for performing the lender’s duties, and exercising the lender’s rights, under the agreement.*

*I can consider whether Target acted fairly and reasonably in doing so. Under the terms of the loan, the lender has the right to consent to a change in ownership of the property. And it also has to agree to a change in borrowers. But as a responsible administrator, I would expect Target to make sure that the process for obtaining consent is carried out fairly and within a reasonable time.*

*From the contact notes provided by Target, it seems that the DOP was received by it around 14 October 2022. But this wasn’t uploaded and sent to H until 17 November 2022. This means that Target was responsible for a delay of just over a month. This must’ve been frustrating to Miss W, and I can see she and her solicitors chased this during this time.*

*There were significant delays caused by H as well. The contact notes provided by Target do show that it chased H on a number of occasions, but that this didn't resolve the matter. And it took H around nine weeks from being sent the DOP, to sealing it. As I've explained, Target is the regulated entity responsible for making sure the administration is done fairly and reasonably. It should have ensured it happened within a reasonable time and is responsible for any failure to do so.*

*But there were also delays prior to this which weren't the fault of Target or H. Miss W's mortgage offer was issued on 10 January 2022. She was told by Target about the information needed in order to complete the remortgage in January 2022, with further clarification in April 2022. Target requested the DOP from Miss W's solicitors in June 2022 once it was provided with their details. But this wasn't received from Miss W's solicitors until August 2022. I've also seen from the notes provided by Target that Miss W's solicitor initially completed the DOP incorrectly. This had to be returned and completed again before it could be sent to H. This caused further delays in getting the DOP sealed by H. So, I think some of the delays were down to Miss W and her solicitors.*

*Things have moved on since the complaint was first referred to us. And Miss W has confirmed that she was able to complete on the original mortgage rate without paying an ERC. Based on this, whilst Miss W has clearly suffered distress and inconvenience as a result of the delays, I'm not persuaded she's suffered a financial loss. Though I'll reconsider this point if she responds with further information to this provisional decision.*

*Considering everything I've said above, Target was responsible for delays to Miss W's application for a DOP. And I think it's right that it make a payment to compensate her for this. Miss W has told us about the impact this has had on her. And it's clear she's had a difficult time.*

*There's not a set manner or formula with which we calculate payments for distress and inconvenience. But there are examples set out on our website. I've thought carefully about this. And whilst this process has been a long and drawn out one, I think Target is responsible for delays of around 13 weeks. This was clearly frustrating for Miss W and did hold up the process. And she had to spend time chasing Target and worrying about whether the mortgage would complete in time and whether she might lose the interest rate and have to pay an ERC.*

Based on this, I provisionally decided that the amount of compensation payable by Target should be increased to £500. I invited both parties to respond with any further comments by 30 January 2024, after which time I explained I would consider everything again and look to issue a final decision.

Miss W said that she accepted my provisional decision. Target didn't respond. So, the complaint is now back with me to issue a final decision.

### **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.

Miss W confirmed she accepted my provisional decision outcome and had nothing further to add. And Target hasn't responded. Because of this, I see no reason to depart from the findings in my provisional decision. These findings are set out above and should be considered as part of this final decision.

### **Putting things right**

For the reasons explained above, Target Servicing Limited should pay Miss W £500 for the distress and inconvenience this matter has caused.

### **My final decision**

I upheld this complaint and direct Target Servicing Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 12 March 2024.

Rob Deadman  
**Ombudsman**