

## The complaint

Ms D complains about the delays and mismanagement of her applications by Accord Mortgages Limited when she applied to remortgage her properties with that lender.

## What happened

Ms D applied to Accord to remortgage three properties that I shall call SH, LB and WR. Ms D experienced problems with each application. In regard to SH, Ms D says that Accord had the wrong address which meant the solicitors couldn't proceed and her mortgage went onto the standard variable rate ("SVR") with her existing lender. Accord said that there was an IT issue and upheld that complaint. Ms D says that with WR the valuation was too low, but Accord said that a suitable qualified valuer conducted its valuation, and it made no error in accepting that valuation. Ms D says she would like a refund of the £634 excess she paid whilst on the SVR and compensation for her distress and inconvenience.

### *Our investigator's view*

Our investigator's view on each application was as follows:

#### SH

Our investigator noted that the certificate of title ("COT") was requested on 9 May 2022 but due to the IT error that prevented the first line of the address being inputted, the solicitors weren't able to drawdown funds. The solicitors issued a new request but because of the delay, the mortgage fell into her existing lenders standard variable rate ("SVR") period, causing Ms D to pay more than she should have had to.

#### LB

In respect of LB our investigator noted that Accord had asked for the COT on 30 May 2022 but when Ms D followed up it became clear that the solicitor hadn't got the mortgage offer. Our investigator felt that there was a month-long delay caused by Accord.

#### WR

Our investigator agreed with Accord that it had acted correctly in regard to the valuation on WR.

As compensation for Ms D's financial loss, our investigator recommended that Accord should compensate Ms D for the additional interest charged between July and September 2022 and pay compensation for her distress and inconvenience of £250.

### *My Provisional Findings*

Both Ms D and Accord disagreed with our investigator's view. I reviewed the complaint and issued a provisional decision in which I dealt with the complaints individually and said:

"SH

*In regard to SH, I see that the application begins at the end of March and a mortgage offer issued on 9 May 2022. Ms D would reasonably have expected the mortgage to complete at the end of June 2022. That would mean that her existing mortgage would not fall into her lenders SVR, and she would have the benefit of the new mortgage product with Accord. But there seems to have been an IT error which meant, as I understand it, that the address of the property on the solicitors' instructions was incorrect and this required amending. There seems to have been difficulties amending this and the mortgage offer was eventually re-issued on 15 July with the correct address. There's no doubt that Accord caused the problem with the incorrect address but when they were made aware of it on 20 June 2022, they managed to get it fixed 15 July 2022 and a mortgage offer reissued.*

*What was the result of that error? It seems to me that for a period the solicitors couldn't progress this case because of the error. So, the completion of the mortgage is likely to have been delayed by that period. That would have meant that it's reasonable for Accord to meet the financial consequences of that. The delay meant that Ms D was on her existing lender's SVR for a time but not all of which was the fault of Accord. But it seems to me that the delay on the completion of the mortgage caused by Accord was 25 days - the period from when Accord was aware of the issue until it was fixed. So, fair compensation to Ms D is that Accord refund the excess interest for 25 of the days that Ms D was on her previous lender's SVR when she could have been on the fixed rate with Accord.*

**LB**

*A mortgage offer issued on this on 30 May 2022. But by 7 July 2022 the solicitors say they hadn't got the mortgage offer. It then seems to have been sent twice on 8 and 11 July 2022 and completed on 26 July. Something went wrong between the solicitors and Accord in relation to the receipt by the solicitors of the mortgage offer which prevented them acting earlier in this remortgage. The solicitors were acting for both Ms D and Accord although for different objectives. For Accord, the solicitor's function was to perfect Accord's security and for that it required the mortgage offer. The instruction to act on behalf of Accord to the solicitors was dated 30 May 2022 with the instructions to act.*

*I consider that either those instructions weren't received by the solicitors or not acted upon by the solicitors when they were received. In either case the fault does not lie with Ms D but with Accord or its representatives. The delay was the result of the actions of Accord or its representatives. So, if Ms D suffered a financial loss that should lie with Accord. I consider that if the instructions had been received or acted on following their despatch on 30 May 2022 that it's likely that this remortgage would have completed by 30 June. I understand that Ms D remained on her existing lender's interest rate, which was less favourable than Accord's after 30 June. Ms D tells me that she was paying £686.40 per month to her previous lender and hoped to move to a rate of £441.00 with Accord. So, I uphold this part of the complaint and require Accord to refund the difference in interest between her previous lender and Accord between 1 and 26 July 2022.*

**WR**

*I know that Ms D feels strongly that there was an undervaluation of this property. But Accord is entitled to rely on the opinion of a properly qualified surveyor in relation to the valuation of a property and I don't consider that it has made an error in doing so and so, I can't fairly uphold this part of the complaint. "*

*So, I said my intention was to uphold Ms D's complaints in relation to Accord's handling of the remortgage applications for properties SH and LB. Accord's errors would have caused an amount of distress and the inconvenience for Ms D of trying to find out what was going wrong with the applications and trying to get them sorted. I believed that the amount*

suggested by our investigator of £250 was appropriate and fair. I then issued a Provisional Decision as follows and invited submissions from Ms D and from Accord before I came to my final decision.

My Provisional Decision was that I upheld this complaint and required Accord Mortgages Limited to make the following payments to Ms D:

1. In respect of the property SH, it should refund the excess interest that Ms D paid for 25 of the days that she was on her previous lender's SVR when she could have been on the fixed rate with Accord.
2. In respect of the property LB, it should refund the difference in interest between what Ms D was paying her previous lender and what she would have been paying Accord between 1 and 26 July 2022.
3. Pay £250 for her distress and inconvenience.
4. Accord should pay interest on the sums referred to at 1 and 2 above at 8% pa simple from the date that Ms D made the payments to her previous lender until the date payment is made by Accord.

### **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.

Since issuing my Provisional Decision I received the following submissions from Ms D and Accord. Ms D said she was happy with my decision about LB. Accord has told me that the funds for LB were released on 29 July so in fact Ms D was on her former lender's mortgage for a few more days than I had allowed. Ms D didn't agree with my decision in respect of SH in that I required Accord to only refund 25 days interest when she was actually on SVR for 3 months and paid an extra £634. Accord said that it agreed with my finding about SH and LB and set out its calculations as to Ms D's loss.

I've reviewed Accord's file specifically about SH. A mortgage offer went out which had an incorrect address, but this error was repaired when an amended mortgage offer issued on 15 July 2022. The issuing of the amended mortgage offer signalled that the lender was willing to allow Ms D to borrow the money and then it would be a matter for the conveyancer to confirm that it had investigated the title and send in a COT asking for the loan money to be released. The lender has generally quite a limited role after the mortgage offer issues. Any complaints I've seen about the actions of Accord on this file relate to the period before the amended mortgage offer issued, that is before 15 July 2022. I realise that completion of the mortgage didn't take place until two months later but I've seen no evidence that Accord was at fault for any further delay beyond the 15 July. This is a complaint against Accord and I can only uphold a complaint to the extent that Accord is at fault. So, having reviewed the file and Ms D's further submissions I believe that my Provisional Decision - with the slight adjustment for the extra couple of days that Ms D was on her previous lenders interest rate for property LB - represents a fair outcome to the complaint.

Accord has supplied its calculation of Ms D's financial loss.

1. It says that in respect of property SH, Ms D was paying £482.21 per month based on her previous lender's SVR whereas she would have been paying £331.08 with

Accord. So, it says the difference for 25 days would be £121.92 which should be refunded to Ms D.

2. It says that in respect of property LB that from 1 July 2022 Ms D was paying a CMP of £686.40 with her previous lender and should have been paying £441.00 with Accord. Funds were released by Accord on 29 July 2022 so the refund amount for 28 days should be £221.65.

In total it says it will refund £343.57 together with interest on that for her financial loss. If Ms D has an issue with the calculation - as opposed to the decision - if she refers it to me I can have a look at that calculation.

### **Putting things right**

Accord Mortgages Limited should pay Ms D:

1. In respect of the property SH, it should refund the excess interest that Ms D paid for 25 of the days that she was on her previous lender's SVR when she could have been on the fixed rate with Accord.
2. In respect of the property LB, it should refund the difference in interest between what Ms D was paying her previous lender and what she would have been paying Accord between 1 and 29 July 2022.
3. Pay £250 for her distress and inconvenience.
4. Accord should pay interest on the sums referred to at 1 and 2 above at 8% pa simple from the date that Ms D made the payments to her previous lender until the date payment is made by Accord. If Accord considers that it's required by HM Revenue and Customs to deduct income tax from that interest, it should tell Ms D how much it's taken off. It should also give Ms D a tax deduction certificate if Ms D asks for one so she can reclaim the tax from HM Revenue and Customs if appropriate.

### **My final decision**

I uphold this complaint and require Accord Mortgages Limited to make the payments to Ms D listed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 17 April 2024.

Gerard McManus  
**Ombudsman**