

The complaint

Mrs K and Mr S complain that delays caused by Landbay Partners Limited during their buy-to-let mortgage applications resulted in them missing out on the interest rate products they'd chosen. As a result, they decided not to proceed with the lending, and would like Landbay to refund the costs incurred during the application, and the additional interest they've had to pay after losing those rates.

What happened

On 11 July 2022, Mrs K and Mr S applied for two buy-to-let mortgages with Landbay to fund the purchases of two new build properties. Mr S was also acting as the mortgage broker for both applications.

On 26 July Landbay requested copies of Mrs K and Mr S's residency permits and proof of address (amongst other things). Mr S explained they didn't have residency permits, only the old visa stamp on their previous passport pages. They said they hadn't applied for the new biometric residence permits (BRP) as they were expensive and weren't mandatory.

Landbay explained they needed to see evidence of Mrs K and Mr S's residency status with a stamp in a currently valid passport, or a valid BRP. On 22 August Mr S sent Landbay a detailed letter containing evidence of their visa stamps on their old passports, and the new passports that had replaced the old passports. He also included the reference numbers of applications they'd made for BRPs, explaining that the Home Office had said the lender could use those references to check their immigration status. They also sent evidence of other mortgages they'd had approved without BRPs.

On 25 August Landbay said they still needed to see a permit in a valid, in date document for the application to progress. On 13 September Mr S sent Landbay copies of his and Mrs K's 'Employer Checking Service Positive Verification' Notices received from the Home Office which confirmed they were both permitted to work in the United Kingdom. On 23 September Landbay confirmed they were happy to proceed with the applications following a conversation with the passport office.

Valuations for the properties were booked, but the earliest date they were able to arrange them for was 13 October. The valuations were received by Landbay on 25 October, and on 31 October Landbay told Mr S that they couldn't issue mortgage offers, and Mrs K and Mr S would need to select a new product from their current range as the applications had exceeded their 100-day rule (applications needed to proceed to offer within 100 days of the original application).

Mr S and Mrs K complained. They said the delays caused by Landbay about the residency permits wasted two months of the application time. They were unhappy that when they paid the valuation fees of £900 in October Landbay knew the mortgages were not likely to be offered within the 100-day period. And had Landbay made them aware of that, they would have chosen to stop the valuations and got the fees back. They asked for a refund of the fees and said they weren't going to proceed on the higher interest rates. They also wanted Landbay to refund them the additional interest they'd now have to pay on their new mortgages with a different lender.

Landbay issued their final response letter on 3 January 2023. They accepted there were some delays in relation to the initial review of the application, and in accepting the information surrounding the indefinite leave to remain. But they said the underwriter acted in line with Landbay's policies and reviewed and responded in a timely manner. They said that the valuations were instructed within 100 days of the original applications, and had they been received within the standard service level agreement of 5 days they would have been able to issue mortgage offers within the 100 days (subject to receiving all requested information from Mrs K and Mr S). However, there was a slight delay in receiving the valuation reports back from the surveyor, and they were also waiting for Mrs K and Mr S to send some further documents that had been requested by the underwriter. The details and circumstances of the applications changed during the 100-day period. They didn't uphold the complaint.

Mrs K and Mr S brought their complaint to our service and an Investigator looked into things. She agreed Landbay had caused some avoidable delays, but didn't think it was reasonable to ask them to refund the fees Mrs K and Mr S had paid. She recommended that Landbay pay Mrs K and Mr S £200 to resolve things.

Mrs K and Mr S disagreed. They explained that nowhere on Landbay's website did it say that they would need to provide BRPs to pass their criteria. Nor were they made aware of the 100-day rule. They said if they'd known the residency permits would be an issue, they wouldn't have made the applications in the first place, as they'd checked the criteria first, and they've been able to get mortgages elsewhere without them. They also said that had they been made aware of the 100-day rule, they never would have paid for the valuations, as it was unlikely at that point the offers would be produced in time. Mr S said that Landbay had failed to adhere to the regulator's principles throughout this transaction.

Our Investigator wasn't persuaded to change her opinion, so the complaint has been passed to me to issue a decision.

My provisional decisions

I issued a provisional decision on 28 February 2024. This is what I said.

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

Landbay's 100-day rule meant that mortgage offers needed to have been produced for Mrs K and Mr S's applications by 19 October 2022 in order for them to have been able to keep the interest rates they applied for in July (4.04%). As that didn't happen, I've thought about whether it was a result of Landbay's actions that meant Mrs K and Mr S's mortgage offers couldn't be produced in time.

During the application process, a significant amount of time was taken by Landbay establishing whether Mrs K and Mr S met their lending criteria because of their residential status. Landbay have told us that Mrs K and Mr S's documents didn't meet their anti-money

laundering policy as they didn't have proof of indefinite leave to remain on a valid document. And that Mrs K and Mr S's documents had to be checked with compliance to make sure they met Landbay's requirements.

On 26 July Landbay had told Mrs K and Mr S what documents they required to prove their residency status, and on that same day, Mr S told Landbay they didn't have what they needed. It then took a further 59 days before Landbay agreed to lend to Mrs K and Mr S based on the documents they did have, following a conversation with the passport office. I'm satisfied that it took longer than it should have done for Landbay to reach that decision.

As a responsible lender Landbay are required to have set policies and procedures in place to ensure they're doing their due diligence before agreeing to lend funds to a borrower. So it was reasonable for them to ask Mrs K and Mr S for the documents they needed to fulfil those criteria when they applied. However, when Mrs K and Mr S explained that they didn't have those documents and why, it was for Landbay to decide at that point whether they would be willing to lend based on different evidence which sat outside their criteria, or not lend at all.

I appreciate Landbay's underwriter had to check the information provided with their compliance department, and I think that was reasonable. But I think this should have happened much earlier in the process. It's not clear what evidence it was that ultimately satisfied Landbay's requirements, as Mrs K and Mr S provided a lot of information, and Landbay also had their own conversation with the passport office. But ultimately, Landbay decided to lend on the information provided, and I think they should have made that decision sooner. And if it was the conversation with the passport office that led to their agreement to lend, I'm also satisfied that could have happened sooner too, as Mr S had given Landbay the information they needed to contact the Home Office about their residential status much earlier.

As I said, I think it's reasonable that Landbay would have needed some time to consider what evidence would be satisfactory to them, and for Mrs K and Mr S to gather that evidence, and then for Landbay to consider it. But I'm not satisfied that should have taken 59 days. All things considered, I think a reasonable amount of time for all that to happen is one month, which would have meant that the valuations could have been instructed before the end of August.

Landbay have given some other reasons for the delay, and highlighted that at the end of the 100 days they were still waiting for documentation from Mrs K and Mr S. I appreciate that there were some changes in circumstances during the process which meant Mrs K and Mr S had to make changes to their applications and provide further evidence. They moved house during the process, and also decided to change the application from a business application to a personal application. But, having reviewed the email exchanges throughout this process, I'm satisfied that Mrs K and Mr S made the relevant changes and provided the relevant documentation promptly. They were also working towards their own deadline as they were due to complete on the new build properties in October, and so it was in their interests for the mortgages to complete on time to avoid being charged by the developers. I'm not satisfied the changes Mrs K and Mr S made during the applications were the reason the process took longer than 100 days to get to offer stage.

The documentation Landbay refer to that was still outstanding after 100 days was proof of address for Mrs K. Landbay had requested this on 27 September after learning that Mrs K and Mr S had moved home since starting the applications. Mr S sent the documents back the same day. It wasn't until 31 October that Landbay told Mr S they needed another bank statement to prove Mrs K's address as the ones Mr S had sent previously weren't sufficient.

Landbay should have checked they were satisfied with the documents Mr S had sent on 27 September and if they weren't, should have requested more evidence at the time, or much sooner than a month later. So whilst Landbay say they were still waiting for documents from Mrs K and Mr S at the end of the 100 days, I'm persuaded that's a result of their own delays, and not requesting it sooner.

Whilst Landbay never actually formally agreed to lend to Mrs K and Mr S because they pulled out when they were told they would have to re-apply at a higher interest rate, I'm satisfied on the balance of probabilities that they would have produced the offers had Mrs K and Mr S not cancelled the applications. I say that because the email sent to Mr S from the underwriter on 28 October suggests that she was just waiting for a second signature to sign off the mortgage offer documents, and said they should be produced that same day. I assume the delay at that point was caused by Landbay realising they didn't have sufficient proof of address for Mrs K, and also realising a new product needed to be selected as they'd exceeded the 100 day period. I'm persuaded that Mrs K could have sent the necessary proof of address, as she'd provided some already, they just needed one more document. And so, if that was the only reason an offer wasn't produced (setting aside the product change requirements as a result of the delay), I'm persuaded this would have been rectified and Landbay would have offered the mortgages.

Considering all the circumstances, I'm persuaded that the reason these mortgages didn't proceed to offer within Landbay's 100-day rule is because of avoidable delays caused by Landbay. I think it's clear that Mrs K and Mr S were trying to ensure these mortgages completed before the deadline given by the developers of the properties and responded to all of Landbay's requests and questions promptly.

I'm persuaded that had Landbay offered Mrs K and Mr S these mortgages within a reasonable timescale, and well within the 100 day period, it's likely the property sales would have completed before the developers' deadline of 24 October. I say that because once Mrs K and Mr S received mortgage offers from their new lender, it took just over two weeks to complete the sales on the properties. I've not seen anything to suggest that completion of the sales would have been delayed if it wasn't for the length of time it took Landbay to handle these applications. Because of the delays caused by Landbay, Mrs K and Mr S lost out on the interest rates they'd applied for, and incurred unnecessary costs paid to the developers for delayed completion. They also had to pay additional fees during the mortgage applications they made with another lender.

Putting things right

The matter of redress for this complaint is not straightforward. Mrs K and Mr S took out mortgages with another lender to complete the property purchases in December 2022 after deciding not to go ahead with Landbay. Those mortgages were for different amounts, with different terms and on a different interest rate.

If the mortgages had gone ahead with Landbay as they were before Landbay told Mrs K and Mr S they needed to select new interest rate products, they would have had two interest only mortgages, both with five-year fixed rates of 4.04%. The interest rate Mrs K and Mr S are now having to pay on their new mortgages is 4.66% for five years.

I'm persuaded that the fairest way to put things right here, is for Landbay to calculate the difference in interest that Mrs K and Mr S would have paid on the mortgages they applied for with Landbay (which, following the valuations were confirmed as £330,000 and £326,250) at 4.04% for five years, and what they are now going to have to pay on their new mortgages at 4.66% for five years each on balances of £302,900, and refund that amount.

I'm aware Mrs K and Mr S paid significant product fees of over £6,000 for each of their new mortgages. I'm not persuaded Landbay should have to cover those fees as Mrs K and Mr S chose that product despite the fees, and the products Landbay ought to have offered Mrs K and Mr S also would have required them to pay a large fee. So one set of product fees would always have been paid regardless.

I also think Landbay should refund the application and valuation fees Mrs K and Mr S paid during their applications with Landbay. Whilst I appreciate that work was actually carried out by Landbay, it was a result of Landbay's unfair treatment that Mrs K and Mr S have had to pay those fees again to another lender. I appreciate Mrs K and Mr S could have stayed with Landbay and just chosen a new rate from their existing range. But Mrs K and Mr S were able to find cheaper rates elsewhere than what Landbay were offering, and so I don't think it's unreasonable they wanted to mitigate their losses by applying to a different lender with a cheaper interest rate. As a result, Landbay should refund Mrs K and Mr S a total of £350 in application fees, and £900 in valuation fees. They should also pay Mrs K and Mr S 8% simple interest* on those amounts calculated from the date they were paid, to the date of settlement.

Mrs K and Mr S also incurred interest penalties from the property developers as a result of delayed completion. For the reasons I've explained, I'm satisfied Landbay are responsible for these mortgages not completing before the developers' deadline of 24 October 2022. I've seen evidence to show that because of those delays, Mrs K and Mr S had to pay the developers £6,235.97 in interest. So I'm persuaded Landbay should refund that amount to Mrs K and Mr S too. They should also pay Mrs K and Mr S 8% simple interest* on that amount calculated from the date it was paid on 22 December 2022, to the date of settlement.

The delays caused by Landbay during these mortgage applications caused Mrs K and Mr S considerable distress and inconvenience. Mr S spent a lot of time and effort compiling information for Landbay about their residency status, going backwards and forwards in communication with Landbay and the Home Office, and ultimately had to quickly submit mortgage applications with a new lender in order to complete their property purchases on time. As a result, I think Landbay should pay Mrs K and Mr S £500 for the distress and inconvenience caused.

Summary

In order to put things right, Landbay Partners Limited should:

- Calculate the difference in interest that Mrs K and Mr S would have paid on the mortgages they applied for with Landbay on the mortgage amounts of £330,000 and £326,250 at 4.04% for five years, and what they are now going to have to pay on their new mortgages at 4.66% for five years each on balances of £302,900, and refund that amount.
- Refund Mrs K and Mr S £1,250 to cover the fees they paid Landbay as part of the application process. Landbay should also pay 8% simple interest* on that amount calculated from the date they were paid, to the date of settlement.
- Pay Mrs K and Mr S £6,235.97 to cover the additional interest they had to pay the developers as a result of delayed completion. Landbay should pay 8% simple interest* on that amount calculated from the date this amount was paid on 22 December 2022, to the date of settlement.
- Pay Mrs K and Mr S £500 for the distress and inconvenience caused.

*Interest is at the rate of 8% a year simple. If Landbay considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mrs K and Mr S how much it's taken off. It should also give them a certificate showing this if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate."

Responses to my provisional decision

Mrs K and Mr S accepted my provisional decision.

Landbay didn't accept the outcome I'd reached, and said in summary:

- Landbay would not have issued offers to lend to Mrs K and Mr S. The applications did not meet their lending criteria in respect of the properties ground rent. This could only have been determined once the valuations had been received in October 2022.
- The underwriter needed more information before they could issue offers to lend, they were not in a position to issue offers at the point she was emailing Mrs K and Mr S in October 2022, nor would the provision of the final outstanding proof of address have guaranteed offers to lend being issued.
- Mr S is a sophisticated applicant who also operates as a mortgage intermediary. He would have been fully aware of the requirements which Landbay had to satisfy before being able to confirm an offer to lend.
- Landbay have acknowledged there were delays in relation to the Indefinite Leave to Remain (ILR) element of the application. But they disagree that liability for this is to the extent as being suggested in the decision, particularly where verification had to be done with an external third party to ensure compliance with policy on the matter. In accordance with the Ombudsman's Guidance, compensation cannot be awarded "for the impact of events that were outside of the business's control, or for the effects of a third-party's action."
- Mrs K and Mr S were aware on 26 July 2022 of Landbay's requirements in respect of the ILR element. They didn't provide copies of the Employer Checking Service Positive Verification Notice until 13 September. The provision of the relevant Know Your Customer (KYC) documentation which Landbay requires to proceed with any application is outside Landbay's control. So it cannot be said that the delay in the applicants providing acceptable documentation was solely a result of Landbay's action or inaction.
- Mrs K and Mr S changed the application from the name of their business to their personal names on 23 September 2022. As a result, additional KYC requirements had to be dealt with. Mrs K and Mr S had not notified Landbay of their change in residential address during the process.
- The valuation fee was paid on 26 September and booked on 27 September. As standard, the fee is paid on application submission, but this was not done until six weeks later which delayed the valuation being booked. Mrs K and Mr S cancelled the valuation, and the next available date was in October.
- Due to the conduct of the applicants, the 100-day time period expired. So a new product needed to be chosen from Landbay's range in line with policy. Landbay should have changed the interest rate at the point the application was changed to a personal one, but acted in good faith and honoured the original product because rates had increased.
- Landbay do not generally allow brokers to introduce their own cases. An exception was agreed as the application was in-flight and they didn't want to unfairly disadvantage Mrs K and Mr S. The connection was only picked up following payment of the application fees.

Once I'd considered the responses provided by the parties, I issued a second provisional decision on 27 March 2024. This is what I said.

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

Having considered everything again, including the additional comments provided by Landbay, I'm still satisfied Landbay are responsible for delays during this application process in relation to the ILR checks. However, it's now become apparent that Landbay never would have offered Mrs K and Mr S the mortgages they'd applied for regardless of the 100-day rule. They've provided evidence to show that following the valuations completed on the properties, the applications no longer met Landbay's lending policy in relation to ground rent and the property values. So the mortgages Mrs K and Mr S applied for with Landbay would never have completed on the terms applied for.

So, I now need to re-consider the impact that Landbay's delays had on Mrs K and Mr S in light of this new information.

I've said in my provisional decision that I'm persuaded the issues and clarification needed around Mrs K and Mr S's ILR status shouldn't have taken longer than a month. I'm still satisfied that's the case. Whilst I appreciate what Landbay have said about the Home Office checks not being sent to Landbay until 13 September 2022, and them needing to speak to a third party before they could agree the evidence provided was sufficient, I think those delays were still ultimately caused by Landbay and how they handled things.

If it was the Home Office checks Landbay needed to satisfy their criteria, they should have told Mrs K and Mr S about that much sooner. That would have enabled them to provide evidence of the checks sooner than they did. Similarly, Mr S had sent Landbay the information they needed to check their residency status with the passport office in August. So Landbay could have made their third-party checks earlier than they did too. Overall, considering everything that happened, I'm still satisfied Landbay caused a delay of around a month to the progress of Mrs K and Mr S's applications.

I acknowledge what Landbay have said about delays caused by Mrs K and Mr S too. But I'm not satisfied the changes they made during the applications (changing the names of the applications and their home address), added any significant time to the application process. Mr S made all the changes promptly as he wanted the applications to be completed as soon as possible.

Landbay have also said that the valuations could have been booked earlier if Mrs K and Mr S had paid the fees upfront. But I can appreciate why Mrs K and Mr S wanted to delay paying the fees until Landbay had confirmed they met their criteria given their residency status. That wasn't confirmed until 23 September, and the fees were paid on 26 September. I'm persuaded that had Landbay told Mrs K and Mr S they met their criteria earlier, the fees would have been paid earlier and the valuations could have been booked in. The valuations were booked on 27 September, and it seems the earliest date available was 13 October. I appreciate that delay was outside of Landbay's control.

If things had happened as they should have done, the valuations for the properties could have been booked in to take place by early to mid-September 2022. Allowing some time for the valuations to be received and reviewed by Landbay, I think they could have told Mrs K and Mr S they weren't willing to lend to them a month earlier than they did, before the end of September. They then could have looked at applying elsewhere to secure the borrowing they needed.

Mrs K and Mr S would always have needed to borrow the funds needed to purchase the buy-to-let properties elsewhere, and the interest rates would have been higher than what

they'd applied for with Landbay in July. So it wouldn't be reasonable to ask Landbay to put them back into the position they would have been, had the Landbay mortgages completed at the lower interest rates.

Once Mrs K and Mr S discovered they could no longer complete their mortgages with Landbay on the interest rates they wanted, it took them seven weeks to complete their property purchases using mortgages from another lender. So, to put Mrs K and Mr S back in the position they would have been in if it wasn't for the delays caused by Landbay, I've looked at what the timeline of events would likely have been to establish what the direct losses that resulted were.

If Landbay had told Mrs K and Mr S by 30 September that they wouldn't be able to lend to them, based on what did actually happen, I think it's likely it would have taken Mrs K and Mr S around seven weeks to source alternative funds and arrange for completion of the properties. That would still have resulted in the property sales completing after the developers' deadline, but as completion would likely have taken place around 18 November 2022, Mrs K and Mr S wouldn't have had to pay as much penalty interest as they did.

The interest Mrs K and Mr S had to pay the developers was at a rate of £71.27 and £70.69 a day until 15 December, and a rate of £76.36 and £75.74 a day thereafter. Had things happened as they should have done, Mrs K and Mr S would always have needed to pay the additional interest up until the sales would have completed on 18 November. But I think it would be fair and reasonable for Landbay to cover the additional interest Mrs K and Mr S had to pay over and above that amount. I've calculated that to be £4,755.66.

As Landbay would always have rejected Mrs K and Mr S's applications after the valuations were received then Mrs K and Mr S would still have needed to pay two sets of application and valuation fees. So I'm no longer satisfied Landbay should refund any of those fees to Mrs K and Mr S.

I remain satisfied that Landbay's delays also caused Mrs K and Mr S distress and inconvenience. And I remain satisfied that £500 is a fair amount to reflect that for the reasons I set out in my provisional decision.

I appreciate the redress I've awarded here is based on what I think is likely to have happened had Landbay treated the applications as they should have done. There is a lot of uncertainty here and external factors could have impacted what would actually have happened if Landbay had made their decision sooner. In the absence of that certainty, I've decided appropriate redress based on what I think is fair and reasonable in all the circumstances of the case, carefully considering what both parties have told us.

Putting things right

In summary I think Landbay should do the following to put things right for Mrs K and Mr S:

- Pay Mrs K and Mr S £4,755.66 for the additional interest penalties they had to pay as a result of delayed completion on their property purchases. Landbay should pay 8% simple interest* on that amount calculated from the date this amount was paid on 22 December 2022, to the date of settlement.
- Pay Mrs K and Mr S £500 for the distress and inconvenience caused by the delays."

Responses to my provisional decision

Mrs K and Mr S responded and said, in summary:

- The ground rent clause could easily have been revised by the developer. They had discussed the issue with the developer's sales manager before they applied for the mortgages, and they'd confirmed that they had a procedure to change the ground rent. They had enough savings to change the lease to remove the ground rent.
- After the valuation, Landbay never mentioned the issue of ground rent with Mrs K and Mr S. Mr S says he had many calls with the underwriter and was told they were just waiting for a second signature for the mortgage offer. If they'd raised the issue with the ground rent it could have been resolved in less than a week. Also, the issue could have been added to the offer as a special condition for the solicitor to follow up on before completion.
- They were not made aware of the 100-day rule before October 2022 and think it was only introduced later in the application, and Landbay applied it retrospectively which they believe is unfair.
- Mr S's experience as a mortgage intermediary doesn't reduce Landbay's responsibility to treat him and Mrs K fairly as customers.
- Mr S checked the lending criteria before applying to Landbay and only applied because they allowed brokers to submit their own applications.

Landbay responded and said, in summary:

- Landbay did not issue an offer to lend to Mrs K and Mr S as the applications did not meet their lending policy.
- At the time of making their decision, they were not aware Mrs K and Mr S were negotiating for ground rent reductions, and there was no guarantee the negotiations would have resulted in a position that would have met Landbay's lending criteria.
- As a lender, they decide whether to lend on the basis of the application submitted and information provided. Based on the applications submitted, they didn't meet Landbay's lending criteria.
- The 100-day validity period is published on both Landbay's website and within the broker portal as a pop up. In any event, the applications would have fallen outside of this period had the ground rent negotiations have taken place.
- Landbay would never have issued an offer to lend to Mrs K and Mr S and therefore cannot be required to recompense them for the difference in interest which could have been payable had they issued an offer to lend, and the interest payable on their new mortgages.
- The provisional decision of 27 March 2024 is a fair and reasonable response to the complaint, and they are prepared to make redress to Mrs K and Mr S on that basis.

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.

Having done so, I remain satisfied that the outcome I reached in my provisional decision dated 27 March 2024 is a fair and reasonable way to put things right for Mrs K and Mr S.

I appreciate Mrs K and Mr S now say they were able to negotiate the ground rent on the lease, and so they could have ensured the applications met Landbay's policy. But at the time the applications were made and considered by Landbay, they did not meet Landbay's lending criteria. And I'm not persuaded it's reasonable to assume that any negotiations Mrs K and Mr S had with the developers would have resulted in the applications meeting Landbay's criteria, or if they did, that would have been done within enough time for mortgage offers to be produced with the 100-day limit.

Overall, I'm satisfied that the applications Mrs K and Mr S submitted to Landbay did not meet their lending criteria. And there are too many unknowns for me to conclude that on balance, Mrs K and Mr S could have amended the details in order for the applications to meet the criteria within the relevant time period. As a result, I'm not persuaded Mrs K and Mr S would have been able to obtain mortgage offers from Landbay within the 100-day period but for the delays.

Mrs K and Mr S have said they weren't made aware of the 100-day rule until the time limit had already expired, and believe that it may have been applied to their applications retrospectively by Landbay. Whilst information about the 100-day rule may not have featured in Landbay's lending criteria, I'm persuaded that it did feature on Landbay's website during the period the applications were in progress. As such, I'm not satisfied it was only retrospectively applied to Mrs K and Mr S's applications after the time limit ended as Mr S says.

I've considered the other points Mrs K and Mr S have made in response to my provisional decision, but I'm not persuaded they change my outcome, for the reasons I've already explained in previous decisions.

Putting things right

To put things right I'm satisfied Landbay should do the following:

- Pay Mrs K and Mr S £4,755.66 for the additional interest penalties they had to pay as a result of delayed completion on their property purchases. Landbay should pay 8% simple interest* on the above amount calculated from the date the payment was made on 22 December 2022 to the date of settlement.
- Pay Mrs K and Mr S £500 for the distress and inconvenience caused by the delays.

*Interest is at the rate of 8% a year simple. If Landbay considers that it's required by HM Revenue & Customs to take off income tax from that interest, it should tell Mrs K and Mr S how much it's taken off. It should also give them a certificate showing this if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

Considering everything, for the reasons I've explained, I uphold this complaint in part and instruct Landbay Partners Limited to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K and Mr S to accept or reject my decision before 10 June 2024.

Kathryn Billings
Ombudsman