

The complaint

Mr and Mrs W complain about poor service and lack of updates from an appointed representative of TenetLime Ltd when they took advice about re-mortgaging.

What happened

Mr and Mrs W took mortgage advice from TenetLime in mid-2022. Their interest rate product for part of their mortgage was due to expire on 1 January 2023.

TenetLime recommended Mr and Mrs W re-mortgage and asked them for supporting documents. It submitted a mortgage application on their behalf in early July 2022. TenetLime says the lender asked for further information and this wasn't provided by Mr and Mrs W.

Mr and Mrs W dispute this, saying they chased TenetLime on numerous occasions and were not asked for the additional information.

In early October 2022 TenetLime told Mr and Mrs W the lender had cancelled the application.

Mr and Mrs W say TenetLime failed to contact them after this about a new mortgage application.

Mr and Mrs W also say TenetLime asked them to pay £499 upfront and didn't provide an engagement letter setting out what services would be provided. They said all it told them was that they wouldn't have to pay legal and valuation fees. They say they were out of the country on the date TenetLime claims they signed and returned the client agreement.

I sent a provisional decision to the parties explaining why I intended to uphold this complaint and order TenetLime to pay compensation to Mr and Mrs W.

Mr and Mrs W agreed. TenetLime said it would contact the appointed representative for its comments and respond before our deadline. It didn't provide a substantive response.

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.

I should first say that we provide an informal dispute resolution service. We aren't a regulator. Our role is to investigate complaints and provide an outcome that is fair and reasonable in the circumstances. I should also say that where the evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

The cancelled application

Prior to the application being submitted Mr and Mrs W and TenetLime exchanged a number

of emails regarding the information required for the application. Mr and Mrs W provided information by email. TenetLime chased for outstanding information (for instance Mrs W's accounts) by email.

Mr and Mrs W say they heard nothing from TenetLime between late July 2022 and 22 September 2022.

TenetLime says when the lender asked for further information it requested this from Mr and Mrs W by phone. TenetLime didn't provide call recordings, phone records or other evidence to support this.

If TenetLime asked for information that Mr and Mrs W failed to provide I'd expect some evidence of this. I'd expect TenetLime to have chased for the information by email – as it did previously. And I'd expect it to mention this in other emails. For instance, Mrs W emailed TenetLime on 22 September 2022 and 28 September 2022 asking for an update. If the application was unable to progress because TenetLime was waiting for information from Mr and Mrs W I'd expect it to say this. Instead, it said it would speak to the lender and then schedule a call with them to review where they were.

TenetLime says the main issue with the application was that Mr and Mrs W wanted to explore other options regarding the amount of borrowing and protection cover.

Mr and Mrs W had asked TenetLime about changing the loan amount in emails dated 15 June 2022 and 22 September 2022. They dispute contacting TenetLime in early August 2022 about this. But in any case, I don't think that Mr and Mrs W asking whether it was possible to increase the loan amount if they wanted to do so changes the outcome. There was no suggestion that they didn't want to proceed, or that proceeding was contingent on the loan amount changing. Whether they looked elsewhere for protection cover wouldn't affect the mortgage application.

In early October 2022 TenetLime told Mr and Mrs W the lender had cancelled the application. We asked TenetLime for copies of its notes of the application to the lender. This would evidence what documents had been requested by and provided to the lender and the reason for the lender cancelling the application. TenetLime said the appointed representative didn't provide this.

On balance, I don't think TenetLime asked Mr and Mrs W for documents and information requested by the lender after the application was submitted. So if the failure to provide documents was the reason the application was cancelled, then this was the result of errors by TenetLime.

Advice and service after the application was cancelled

There isn't a recording of the call on 3 October 2022. TenetLime says it suggested Mr and Mrs W wait until early 2023 to see if mortgage rates would stabilise. Mr and Mrs W say they agreed to wait two weeks and TenetLime would contact them about a new mortgage deal. The emails Mr and Mrs W sent in December 2022 asking for an update suggest they were waiting for TenetLime to contact them.

The client agreement and fee

Mr and Mrs W paid a fee of £499 on 11 June 2022. They say they didn't receive a client agreement or engagement letter. They asked TenetLime what was included in the fee. They say all they were told was that they wouldn't have to pay valuation and legal fees.

TenetLime provided a copy of a client agreement to us. This says it was signed by Mr and Mrs W on 4 July 2022. TenetLime also provided a document titled "Your Information" dated 5 July 2022 (this looks like a fact find or record of information). This said the client agreement was issued on 5 July 2022. The mortgage suitability report dated 4 July 2022 said the client agreement was provided to Mr and Mrs W at the outset of the advice process.

I note that the client agreement says the £499 fee was payable on application. Mr and Mrs W were asked to pay this about a month before the application was submitted.

Mr and Mrs W say they didn't receive or sign the client agreement. They say they were out of the country on holiday on 4 July 2022 when TenetLime says it was signed. They offered to provide evidence of this but that's not necessary. Their emails with TenetLime at that time refer to the holiday (both before and after the holiday). Mr and Mrs W could have emailed the signed agreement to TenetLime while on holiday (in fact, Mrs W forwarded an email from her accountant to TenetLime while away). But if so, I'd expect some record of the email. While TenetLime provided copies of emails with Mr and Mrs W in June 2022 and July 2022, these make no mention of it sending the client agreement to Mr and Mrs W or receiving the signed agreement from them.

We asked TenetLime for information about how and when the client agreement was sent to Mr and Mrs W, and how and when it was returned. TenetLime says it doesn't know when the client agreement was issued, or how it was sent to Mr and Mrs W or how it was returned. It said the appointed representative hasn't confirmed if its system automatically records when documents are issued. TenetLime says it assumes the discrepancy with the date of the client agreement is an administrative error.

TenetLime said it would ask the appointed representative to comment on the provisional findings in my provisional decision. We haven't received any comments or evidence since then. So I must make my decision based on the evidence that is available to me. I've taken into account that TenetLime hasn't been able to provide records or other evidence regarding the client agreement, and that Mr and Mrs W have been consistent throughout. Based on the available evidence, on balance I don't think that Mr and Mrs W did receive, sign and return the client agreement.

Putting things right

I think TenetLime's appointed representative failed to manage the mortgage application process satisfactorily and this resulted in the application being cancelled by the lender.

This is frustrating for Mr and Mrs W. But as the application didn't proceed I can't be sure that the lender would have issued a mortgage offer. That means I can't fairly require TenetLime

to pay compensation based on the difference between the rate they applied for in July 2022 and the rate they are now on.

For the same reason, I don't think I can fairly require TenetLime to pay compensation on the basis that Mr and Mrs W might have secured a better rate if it had submitted a new application for them in late 2022. And they might not have been better off given interest rates increased in late 2022 and Mr and Mrs W would have paid an early repayment charge if they'd re-mortgaged in January 2023.

But I do think it's fair and reasonable to require TenetLime to pay compensation for Mr and Mrs W's disappointment, the missed opportunity to proceed with the mortgage application and the inconvenience and upset this caused. I think TenetLime should pay £500 to Mr and Mrs W.

I don't think TenetLime made it clear to Mr and Mrs W what services the £499 fee covered or when it had to be paid. Because of this and its poor service I think TenetLime should refund the brokers fee in full (£499) with 8% simple interest from the date it was paid to the date of the refund.

If TenetLime considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr and Mrs W how much it's taken off. It should also give them a tax deduction certificate if they ask for one.

My final decision

My decision is that I uphold this complaint and order TenetLime Ltd to make the payments set out above.

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

Ruth Stevenson
Ombudsman