

The complaint

Mrs S had an equity release mortgage. She redeemed that and took out another equity release mortgage with Pure Retirement Limited ("Pure Retirement") in 2022. She says that Pure Retirement caused delays that meant that her initial offer expired and she had to accept a second offer from Pure Retirement with a higher interest rate.

What happened

In 2022 Mrs S ended an existing equity release mortgage (with a business I'll refer to as "M") and took out another existing equity release mortgage with Pure Retirement.

Pure Retirement originally offered Mrs S an equity release mortgage with an interest rate of 4.32% ("Offer One"). However, by the time Pure Retirement was in a position to complete the mortgage, that offer had expired. So Mrs S had to accept a new offer from Pure Retirement with an interest rate of 5.08% ("Offer Two").

Our investigator looked into the matter. She acknowledged that Mrs S accepted Offer One in mid-August 2022 and that Pure Retirement was provided with the final redemption statement for her equity release mortgage with M (a key document required before the equity release mortgage with Pure Retirement could proceed) on 22 August 2022 – a few days before the offer expired on 26 August 2022.

Our investigator acknowledged that Pure Retirement didn't process the final redemption statement until 26 August 2022. However, given the short timeframes involved, she didn't think it was likely that Pure Retirement would have been able to complete the mortgage before 26 August 2022 – even if it had processed the final redemption statement sooner. So she didn't recommend that Pure Retirement compensated Mrs S for what happened, or that it should honour the 4.32% interest rate set out in Offer One.

Mrs S remained unhappy and asked for her complaint to be reviewed by an ombudsman, so it has been passed to me to decide. She says she accepted Offer One before it expired, so Pure Retirement should honour it.

My provisional decision

In my provisional decision 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 done so, I've reached broadly the same conclusion as our investigator. I've also considered information that was provided to the Financial Ombudsman Service after our investigator issued her view. So, I've set out my reasoning below.

Pure Retirement issued Offer One on 14 June 2022. That offer included special conditions that needed to be satisfied by her solicitors before completion. One of those conditions was that Mrs S' existing mortgage had to be repaid before the new mortgage could be

completed.

At the end of June 2022 Pure Retirement agreed to extend the deadline for completing Offer One until 26 August 2022.

Pure Retirement says it chased Mrs S' solicitor for an update on 11 July, 22 July and 12 August 2022. On 12 August Mrs S' solicitor confirmed that it was going to return the signed documentation to Pure Retirement. Pure Retirement said it asked for a final redemption statement (showing that Mrs S' previous equity release mortgage with M had been redeemed) from M at that point as it was conscious it had a 10-working day turnaround time to factor in.

Pure Retirement says it received the signed documentation for Offer One on 15 August 2022. On 18 August 2022 it chased the final redemption statement.

Pure Retirement received the final redemption statement from M around noon on 22 August 2022 but didn't scan it on to its computer system until 26 August. It told us that upon receiving the final redemption statement it needed to confirm the Early Repayment Charge ("ERC") set out on the statement with Mrs S' solicitor. It says it did this on 26 August but

Mrs S' solicitor didn't respond. On 30 August Pure Retirement decided not to extend Offer One again. So a new offer – Offer Two – was issued on 5 September 2022, and later accepted.

I think it's unfortunate that Pure Retirement wasn't told that Mrs S was accepting Offer One until 12 August 2022. I say that because Offer One was issued around two months before, and I can see that Pure Retirement chased Mrs S' solicitor for a response on more than one occasion. The delay accepting Offer One meant that there was little time for the transaction to be completed in accordance with the 26 August 2022 deadline. On receipt of all documentation (including the redemption statement that wasn't sent to Pure Retirement until 22 August 2022) Pure Retirement says it needed to complete file checks, arrange and process completion. That involved it arranging for the money to be transferred – something it says it had to request by 11am on 23 August 2022 in order for the 26 August 2022 completion deadline to be met. Pure Retirement also said it needed Mrs S' solicitor to confirm that Mrs S was going to pay the ERC set out in the redemption statement. I don't think it was unreasonable for it to wait for that confirmation. Pure Retirement says it's standard practice for it to ask solicitors to confirm their clients are willing to pay the ERC set out in the redemption statement. It has also told us that it has worked with Mrs S' solicitor for years, so it was familiar with Pure Retirement's deadlines and processes.

Taking this matter as a whole, I don't think it was likely that Pure Retirement would have been able to complete the Offer One mortgage before 26 August 2022 – even if it had processed the final redemption statement sooner. Even if the redemption statement had been uploaded onto its system immediately on 22 August 2022 (something I wouldn't expect), Pure Retirement still needed to wait for Mrs S' solicitor to confirm that Mrs S was going to pay the ERC set out in the redemption statement. But Mrs S' solicitor didn't respond to the 26 August 2022 request for confirmation. Bearing that in mind, I don't think it's likely that Mrs S' solicitor would have responded in time for Pure Retirement to be able to request the money on 23 August 2022.

I can see why Mrs S is very frustrated by what happened, but I don't think it's fair and reasonable to say that Pure Retirement was responsible for her missing out on the interest rate in Offer One. It had already extended the deadline for completing Offer One, so I can't say that it should have extended it again.

I appreciate that Mrs S is likely to be disappointed by my decision, but for the reasons set out above, I don't think Pure Retirement needs to take any action to resolve this complaint."

Responses to my provisional decision

Pure Retirement didn't respond to my provisional decision.

Mrs S said she doesn't think I've given appropriate weight to evidence provided. She made a number of points that I've considered below.

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 of the view that Pure Retirement doesn't need to take any action to resolve this complaint. I'll explain why.

In response to my provisional decision Mrs S said that a legally binding contract came into effect when she accepted Pure Retirement's offer in mid-August 2022 and there was nothing in Offer One which required completion of the documentation by 26 August 2022.

However, the documentation she was sent about Offer One (originally dated 14 June 2022) said:

"This Offer is valid for the period of 42 days from the date shown above. However we may withdraw the Offer before that date if you have not accepted it. We may also cancel this Offer at our discretion if after acceptance you fail to complete the mortgage within 42 days of the above date".

In the "Important Notices" section it said:

"This Offer will remain open for both acceptance and completion for 42 days"

So I'm clear that the mortgage needed to be completed within 42 days of 14 June/by 26 August 2022 (after the completion deadline had been extended).

Mrs S went on to say that completion of the documentation should have taken place by 26 August 2022 but for Pure Retirement's (admitted) failure to process the redemption statement when it was received on 22 August 2022.

I don't underestimate Mrs S' strength of feeling about what happened. However, as I said in my provisional decision, Pure Retirement wasn't in a position to complete the mortgage transaction until it had received the final redemption statement and until Mrs S' solicitor had confirmed that she was willing to pay the ERC set out in the final redemption statement – something Mrs S' solicitor didn't do in relation to Offer One.

I remain of the view that it was reasonable for Pure Retirement to wait for confirmation from Mrs S' solicitor that it was willing to pay the ERC before arranging and processing completion of the mortgage.

In my provisional decision I also said that Pure Retirement told us that in order to complete the transaction before the 26 August 2022 deadline it had to arrange for the money to be transferred by 11am on 23 August 2022.

Given Mrs S' solicitor failure to confirm that Mrs S was willing to pay the ERC, I remain of the

view that I think it was unlikely that Mrs S' solicitor would have responded in time for Pure Retirement to be able to transfer the money on 23 August 2022 – even if Pure Retirement had processed the final redemption statement on 22 August 2022.

For completeness, I also think it's worth me reiterating here that Pure Retirement would always have needed some time to process the final redemption statement. Mrs S has provided me with an email from Pure Retirement that say that it/the business it uses to administer its mortgages usually takes "turn around redemption statements within 1wd". I assume that means one working day. But there was no guarantee that Pure Retirement would process the redemption statement that quickly.

Mrs S has said this matter will result in £160,000 loss to her over the duration of the mortgage contract and that she isn't to blame for what happened. I'm very sorry to hear about the financial loss says she has been caused by this matter, and I want to be clear that I'm not blaming her for what happened. However, it would only be fair and reasonable for me to hold Pure Retirement responsible for what happened unless I was satisfied that Offer One would have completed by the 26 August 2022 deadline but for its delay processing the final redemption statement. I'm not satisfied by that as is clear from what I've said above. Mrs S might want to speak to her solicitor about their role in what happened. She might also want to speak to an independent financial adviser to consider any options she might have to mitigate her circumstances over the lifetime of her mortgage.

Mrs S has also asked why I haven't probed more deeply into Pure Retirement's failures. She blames the four-day delay in Pure Retirement getting the final redemption statement on a Pure Retirement IT failure. After I issued my provisional decision she provided me with further information in connection with that which I've considered.

Once again, I don't underestimate Mrs S' strength of feeling about what happened. But there's no dispute that Pure Retirement took four days to process the final redemption statement. So, I don't think the reason for that delay affects the outcome here.

Conclusion

I empathise with Mrs S and recognise that this decision is likely be very disappointing for her. But based on what I've seen, it wouldn't be appropriate for me to require Pure Retirement to take any action to resolve this complaint.

My final decision

For the reasons set out above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 24 April 2024.

Laura Forster
Ombudsman