

The complaint

Mr H complains that Connells Limited said it would charge him an administration fee to give mortgage advice, despite having paid a lifetime broker fee.

What happened

In 2014, Mr H received mortgage advice from Connells. At that time he paid a £399 fee for "Connells Lifetime Mortgage Service". Connells sent a letter to him at that time which said, *"...should you receive further mortgage advice for this or any other property now or in the future, as you have paid for our Lifetime service you will not be required to pay a fee for our service."*

In 2016 and 2018, Connells gave Mr H mortgage advice. He said that it asked him to pay an administration fee of £99, but when he refused, Connells waived the fee. In 2021, Mr H approached Connells for mortgage advice again. He said he was told it would apply a £99 administration fee, and if he didn't like it, he should approach the lender directly, which he did.

Mr H considers that Connells is unfairly applying an administration fee for providing mortgage advice. He said he'd paid a fee for lifetime mortgage advice so he should not have to pay anything else. He wants the £399 fee refunded with interest.

The investigator did not think the complaint should be upheld. Mr H did not accept what the investigator said.

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.

In 2014, Mr H paid Connells £399 to cover the cost of advice on a remortgage, product transfer or further advance for life. An additional administration fee was only payable if Mr H was seeking mortgage advice in connection with a purchase. He is correct that Connells could not charge him a fee for advice on a remortgage, product transfer or further advance. I consider the terms of the lifetime advice fee were clear and that the evidence I have is that Connells is honouring those terms. So I don't consider the fee Mr H paid for lifetime mortgage advice was mis-sold – it is operating in line with the conditions that Mr H agreed.

Mr H said that when he asked Connells for advice in 2021 he was told he'd need to pay a fee and got into a dispute with them he said he was told if he didn't like it, he could approach his lender directly. So that is what Mr H did.

Connells has told us it does not have recordings of the relevant phone calls. So I asked for statements from the members of staff that Mr H said he spoke to at the time. They both said they couldn't remember the conversations with Mr H. But they said if considering whether an administration fee would apply, they would refer to an internal spreadsheet, which set out the circumstances where an administration fee was payable (the spreadsheet). I have seen the

spreadsheet and it sets out clearly that Mr H would not need to pay a fee.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities – in other words, on what I consider is most likely to have happened in the light of the evidence.

In this case, two separate members of staff said they would refer to the spreadsheet. It seems likely they would have done so and I am satisfied that they would have seen that Mr H did not need to pay an administration fee. I consider that tips the weight of the evidence in favour of Connells.

In saying that, we know that Mr H spoke to Connells in 2021 and following that he arranged a mortgage with his existing lender. While that supports his point, I note that he told Connells that he was able to obtain a better product from the lender directly. So there was a rational reason for Mr H to explore what the lender could offer even if he'd not been misled by Connells about whether an administration fee was payable.

Overall, I consider it less likely, on balance that Connells told Mr H he would need to pay a fee. But even if I accept that Mr H was given incorrect information, I don't consider I could reasonably ask Connells to do anything further. I say that because Mr H has not suffered any financial loss. He's had the benefit of the lifetime advice fee on his initial mortgage and two later mortgage applications – and it is available for him to use in the future. There was no additional cost or time involved in going directly to the lender and he said the products it offered was cheaper.

So whichever way I look at it, I don't see how I could reasonably uphold this complaint. Mr H has had the benefit of the lifetime advice fee – and he continues to have the benefit of it. He has not been disadvantaged by going directly to the lender.

I'd add that Connells never guaranteed it could obtain cheaper mortgage deals than the lender offered directly. That is matter for the lender and not Connells.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 14 June 2024.

Ken Rose
Ombudsman