

The complaint

Mr G and Mrs W complain about the service they got from an appointed representative of Mortgage Advice Bureau Limited (“MAB”).

What happened

Mr G and Mrs W engaged MAB to source a mortgage for them on a property they were buying and got advice from the broker. The property was down valued but they wanted to proceed in any case. But then there were delays with their sale and a new application was made and the property was down valued again. They had a new advisor who told them they should re-negotiate the price which they found condescending although the adviser then proceeded with the application. The mortgage offer which issued On 15 February 2023 was for a higher rate than they had requested. On 16 February Mr G and Mrs W told MAB of this mistake and the error was rectified. The offer which issued had the broker's fee added to the loan which Mr G and Mrs W didn't want. The broker told them this fee could be paid through their solicitor, but they were then told it had to be paid by them off the mortgage which would affect their overpayment allowance.

MAB didn't accept its adviser had done anything wrong and didn't uphold the complaint. Our first investigator felt the complaint should be upheld for a couple of service issues – the wrong interest rate being applied to the offer and informing the clients that they could pay the product fee through their solicitor and that compensation of £75 would be appropriate. MAB disagreed saying in summary that it had done nothing wrong and was willing to make a goodwill payment of £75. Our second investigator reviewed the complaint and felt that MAB's errors were small and rectified almost immediately and didn't recommend that the complaint should be upheld. Mr G and Mrs W disagreed saying that their recollection was that they didn't want the fee added to the loan as they were happy paying it and in any case wanted to use the overpayment facility due to an expected inheritance.

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've carefully read his file. There are a number of issues which arose during the course of the process which Mr G and Mrs W aren't happy about but not all mortgage transactions go smoothly. I considered that there were some times when this transaction might have been derailed but it appears to have proceeded in the main fairly smoothly and I don't consider that it's a case where MAB have caused any financial loss or such distress and inconvenience to Mr G or Mrs W that compensation should be paid.

I note that Mr G and Mrs W found the adviser condescending when he suggested they renegotiate the purchase price but then a renegotiation is quite common on a down valuation, and I can't fairly find against the adviser given he seems to have been considering their best interests in giving his advice.

The issue with the wrong interest rate on the offer, although unfortunate, was rectified

swiftly. Mr G and Mrs W were unhappy with the broker's fee being added to the mortgage when they could have paid it directly. But the mortgage suitability report indicates that at one stage they were content with that method. Mrs W says they never saw the suitability report and their recollection of the conversations given rise to it should have led to different advice. But even accepting that, did Mr G and Mrs W suffer any financial loss as a result? I don't consider they did. They would have been able to pay the fee to the lender to avoid interest being charged. I appreciate that may have potentially affected the overpayment allowance but as I understand it that wasn't used so there appears to be no resulting loss which would require compensation. So, for the above reasons I can't fairly uphold this complaint. I should say that that MAB has indicated that it would make Mr G and Mrs W a goodwill payment of £75 should they wish to accept that offer.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Mrs W to accept or reject my decision before 19 July 2024.

Gerard McManus
Ombudsman