

The complaint

“O”, a limited company, complains about the time it took for Fleet Mortgages Ltd (“Fleet”) to process its mortgage application.

O is represented by its director, Mr R.

What happened

Mr R says that despite sending Fleet the information it needed in connection with a buy-to-let mortgage in a timely manner, Fleet was slow to respond so its mortgage offer expired before it was able to buy the property. Mr R says O was forced to reapply for the mortgage at higher interest rate and pay additional fees. Mr R says the property purchase fell through in the end but O still had to pay for legal fees and other costs associated with the failed purchase.

Fleet said it didn’t do anything wrong. In its final response it sent a detailed timeline covering what happened. That shows that it sent O a decision in principle for a mortgage on 10 October 2023, but it didn’t get all the information it required to proceed with the mortgage application until the end of December 2023. In early January 2024 Fleet issued a mortgage offer. The mortgage offer was revised after this. It expired on 14 April 2024.

Our investigator looked into O’s complaint. He said he considered the detailed timelines and supporting evidence provided by Fleet and the relevant solicitor and could see that delays were caused in connection with:

- the source of O’s money for the mortgage.
- the need for Fleet to get a Deed of Variation.
- the relevant property being subject to the Building Safety Act 2022 (BSA 2022).
- expiration of the valuation.

Overall he didn’t think that Fleet was responsible for any unreasonable delays so he didn’t uphold this complaint.

O remained unhappy. Mr R asked for an ombudsman to review O’s complaint, so it has been passed on to me to decide. Mr R didn’t think our investigator had considered the information provided carefully enough.

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 agree with the conclusion our investigator reached.

Source of money for the mortgage

As our investigator said, Fleet was required to identify the source of O's money for the mortgage. I can see that the money came from various sources. I can't see that Fleet asked any inappropriate questions about the source of the money. I can also see that Fleet wasn't provided with all the documentation it required in connection with that until 20 December 2023. The initial mortgage offer was generated shortly after this - on 3 January 2024. I don't think that was an excessive period of time given that Fleet was given the information very shortly before the Christmas holiday period.

Mr R says he felt the process was too slow and asked us to check if there was evidence of Fleet being at fault here. I haven't seen any evidence of that.

Deed of Variation

On 12 February 2024, Fleet received details of the ground rent and service charge. After a review, Fleet determined that the review periods were too frequent, and a deed of variation was required. Like our investigator, I can't say that this was an unreasonable request given that there was a risk that the ground rent could increase to over £1,000 within the mortgage term.

Fleet's request for the deed of variation was passed to the seller's solicitor on 29 February 2024. The seller's solicitor didn't think such a deed was necessary and argued against it. It wasn't until 5 April 2024 that it was confirmed that the seller's landlord would enter into a deed of variation. I appreciate that Mr R was frustrated by the time this issue took to get resolved. However, I don't think it would be fair and reasonable for me to say that Fleet was responsible for that delay.

Building Safety Act 2022 ("BSA 2022")

The valuer noted on the October 2023 valuation that the property was in a three-storey building. Although the valuer couldn't determine the exact height of the building, Fleet thought it was unlikely that the building would be subject to BSA 2022. However, there was uncertainty about this point. It didn't become clear that the property was subject to BSA 2022 until 29 February 2024 – when the seller's solicitors confirmed it was.

Once again, I appreciate that Mr R was unhappy that this only came to light when it did. He says that if Fleet had asked whether the building was subject to the BSA 2022 around November 2022, this issue wouldn't have caused such a delay.

It appears that Mr R used a solicitor from the panel of solicitors Fleet used. Mr R is clearly unhappy about that. He told us he thinks the process would have been smoother if he'd been able to proceed with his own solicitor. I understand Mr R's feelings on this point. However, Fleet's records show that the seller's solicitor sent Mr R's solicitor a management pack on 21 December 2023. Fleet says that pack contained conflicting information about whether the property was subject to the BSA 2022.

Looking at the timeline Fleet provided, this issue wasn't picked up again until early February 2024.

I appreciate that Mr R was frustrated by that. I think that there was a delay of around a month here when the issue could have been picked up sooner. However, I don't think it's fair to say that this issue meant that Mr R's mortgage couldn't be completed sooner/that it caused a substantive delay. Looking at the timeline Fleet provided I can see that in February 2024 the issues covered above in relation to the deed of variation were being dealt with. So while I think it's possible that this issue could have been progressed sooner, I'm conscious that the deed of variation wasn't agreed until early April 2024. That needed to be agreed

before the mortgage could be completed. So ultimately, I don't think it made any difference to the progress of the mortgage.

Expiration of the valuation

Mr R is particularly concerned that Fleet asked O to pay £600 for a second valuation of the property to be completed after the mortgage offer expired. I appreciate he was annoyed by that. However, I can see that the first valuation of the property expired on 13 April 2024. O's revised mortgage offer (dated 25 March 2024) clearly said on the first page of the offer document that:

"This Mortgage Offer is valid for completion by the earlier of either 90 days from the date shown above or the date of the expiry of the valuation report."

Later in the offer it said:

"VALUATION EXPIRY - You acknowledge that the valuation report in respect of the mortgage property expires on 13 April 2024.

If completion of this advance has not occurred before this date you must contact your broker and apply to renew your application to us. Any new application will be processed in accordance with our criteria at the time of submission. You will be charged for a new valuation prior to the new valuation being carried out." [my emphasis]

So while I appreciate that Mr R was annoyed that O had to pay for a second valuation, I can't say Fleet was wrong to say that a new valuation needed to be arranged and paid for by O.

Other issues

Mr R has complained that Fleet's solicitor was slow. He has said that it didn't reply to his emails on the same day as he expected, and that the seller's solicitor was also frustrated about the time it took for Fleet's solicitor to respond. Mr R hasn't been specific about the dates of the delays he is talking about here but having considered the information available in this case I can't see that Fleet's solicitor was responsible for any substantive delays here. I don't think it's fair and reasonable to say that a solicitor should be required to reply to all emails on the same day they were sent.

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 O to accept or reject my decision before 10 December 2024.

Laura Forster
Ombudsman