

The complaint

Mr O complains that the terms of his buy to let mortgage with Bluestone Mortgages Limited are not what he wanted.

What happened

Mr O applied to Bluestone for a buy to let mortgage via a broker in mid-2023. The application was for a repayment mortgage with a two-year product. Mr O says this is what he wanted. However his mortgage completed as an interest only mortgage with a five-year product. Mr O also says the interest rate is too high. He'd like his contractual monthly payments to be a round number and he wants to look into making overpayments.

Bluestone said Mr O had initially applied for a repayment mortgage with a two-year product and requested this several times during the application process. However, this wasn't affordable. Bluestone said it told Mr O that the mortgage could only proceed on the basis of interest only payments with a five-year product. The interest rate, monthly payments and the 10% overpayment allowance were set out on the mortgage offer.

Our investigator said Mr O had applied via a broker, and it was the broker's responsibility to ensure he had all the information necessary to decide whether to take out the mortgage. Our investigator said when Mr O spoke directly to Bluestone it gave him clear and correct information.

Mr O didn't agree. He said he'd told the broker the terms were not acceptable. He was expecting this to be looked into before completion. Mr O said fees were added to the mortgage loan.

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'm sorry to disappoint Mr O, but I don't intend to uphold his complaint. I've explained why below.

- Mr O initially applied for a repayment mortgage with a two-year product. Bluestone said this didn't meet its affordability criteria. It told the broker it could only proceed if the application was for an interest only mortgage with a five-year product. It was reasonable for Bluestone to correspond with the broker about the application and assume that the broker would pass relevant information to Mr O.
- A broker submitted the application on behalf of Mr O. Bluestone didn't give mortgage advice to Mr O or recommend the mortgage to him. It was reasonable for Bluestone to expect the broker to provide information to Mr O necessary for him to decide whether to proceed with the application and the mortgage.
- Bluestone issued a mortgage offer in September 2023. This set out the key terms of the

mortgage. This included the amount of the loan (which included fees of £2,000), the mortgage term (12 years), that it was on interest only terms, with a five-year 8.65% fixed interest rate product, and the amount of the monthly payments.

- The mortgage offer set out the terms of the mortgage. It was for Mr O to decide whether to take out the mortgage on those terms. Bluestone didn't have to agree to offer a mortgage on different terms. Bluestone had made it clear that it couldn't offer Mr O a repayment mortgage or a two-year product.
- When Mr O spoke to Bluestone it gave him clear and correct information, which was consistent with the mortgage offer. I don't think Mr O was misled about the terms of the mortgage offered by Bluestone.
- Mr O wanted a mortgage on different terms. During calls with Bluestone he queried terms, such as the length of the mortgage and the loan amount. Bluestone received several requests by or on behalf of Mr O to switch the application to a two-year product and to a repayment basis. For instance, Mr O asked about this in December 2023 and January 2024. His solicitor asked about this in January 2024. On each occasion Bluestone said this wasn't possible. I don't think Bluestone could reasonably have known if Mr O was still expecting this to be looked into when the mortgage completed.
- Mr O accepted the mortgage offer and received the mortgage loan funds, which were used towards his property purchase.
- Bluestone calculates Mr O's monthly payment based on the loan balance and the interest rate. This might not be a round number. Mr O can make overpayments of up to 10% of the mortgage balance without incurring an early repayment charge – the mortgage offer explains more about this.

I don't think that Bluestone made an error here. It clearly set out the terms on which it offered a buy to let mortgage to Mr O. Ultimately it was for Mr O to decide whether to take out the mortgage on the terms offered by Bluestone. It follows that I don't think it's fair and reasonable to require Bluestone to change the terms of the mortgage, pay compensation or take further steps in relation to this complaint.

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 O to accept or reject my decision before 26 November 2024.

Ruth Stevenson
Ombudsman