

## The complaint

Mr and Mrs F complain that Platform Funding Limited ("PFL") reneged on an earlier agreement to include an exception to their normal lending criteria which would have assisted them in porting their mortgage.

## What happened

PFL is no longer an active lender. Mr and Mrs F have a mortgage with PFL. The mortgage does not contain a porting clause and in 2020, they brought a complaint that they were unable to port the mortgage product to another property as they wanted to downsize and move home and port their product to a lower value property of about £115,000.00. PFL reconsidered the matter noting that the effect of the downsizing would free up equity to allow them to pay off their debts and agreed as an exception to its policy it would consider the application in the terms that Mr and Mrs F proposed. That was the first stage in a process whereby PFL would do an internal re-mortgage so that Mr and Mrs F could access a better interest rate. The complaint was brought to us. PFL made an offer to see the complaint by letter of 2 March 2020 which was recommended by the investigator set out in our investigator's view of 12 March 2020 and agreed to by Mr and Mrs F.

Mr and Mrs F say that now, PFL won't stand by this. As no porting application has been made, our investigator didn't recommend that this complaint should be upheld. Mr and Mrs F disagreed and asked for a review.

## 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.

Mr and Mrs F's complaint is that PFL agreed in 2020 that as an exception to its policy that it would consider a porting application by them. As I read it, the terms and conditions that applied to their mortgage didn't allow the mortgage product to be ported and that PFL were removing that condition. That was the exception it was making to its policy. But from reading the correspondence at that time, Mr and Mrs F would still have to make the application and that application would be subject to other criteria that Mr and Mrs F had to meet including affordability. I see that in PFL's letter of 2 March 2020 that it mentions affordability which PFL noted was an issue but that at that time Mr and Mrs F had provided details of additional income and their intention by downsizing was to pay off the debts including the DWP loan therefore freeing up further income.

PFL's position was set out in a letter a year later dated July 2021:

*"We are prepared to make an exception to our policy and consider porting your mortgage to a lower valued property. We are willing to lend you £77,500 for a property valued at approximately £125,000. This is subject to you using any equity from the sale of (their property) to pay off any existing debts, including your DWP loan. "*

The letter goes on to say that with regard to the affordability, the check would be based on

their circumstances at the time of the application and would be assessed in line with their normal policy and that it must do an affordability check as a responsible lender. I noted that the writer said that he would personally monitor their application to help move through to acceptance and completion.

The difficulty at the minute is that Mr and Mrs F have not found a new property that they want to move to nor applied to port their mortgage product but believe that PFL's insistence on affordability will prevent them moving. On reading the file I don't consider that at present that either PFL has reneged on its agreement or is acting against Mr and Mrs F's best interests. From the correspondence in 2020 and 2021, it's clear that although PFL said it would consider a porting application, which wasn't allowed previously under its terms and conditions, it was also dependent on Mr and Mrs F's financial circumstances. At that time PFL suggested it could issue them a mortgage offer for £77,500.00 subject to conditions including affordability. Mr and Mrs F have not yet found a property that they would want to move to but are concerned that if they do that PFL will want to look at the affordability. But it seems to me that this was always part of the deal and the purchase by Mr and Mrs F of a property that was unaffordable to them might not be in their best interests. But at this stage as Mr and Mrs F don't have a property in mind to buy and haven't made a porting application I can't say that PFL has reneged on its 2020 agreement and I can't fairly uphold 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 Mrs F and Mr F to accept or reject my decision before 22 November 2024.

Gerard McManus  
**Ombudsman**