

The complaint

Mr and Mrs H's complaint is about the handling of their mortgage application to more 2 life Ltd (m2l). They believe that m2l's solicitors were '*dilatory and inefficient*' which they say caused delays in the mortgage completing and meant they incurred additional costs in the form of rent, legal costs and storage costs for their possessions during the period of delay.

What happened

In what follows, I have summarised events in rather less detail than they have been presented. No discourtesy's intended by that. It is a reflection of the informal service we provide, and if I have not mentioned something, it won't be because I have ignored it. It will be because I didn't think it was material to the outcome of the complaint. This approach is consistent with what our enabling legislation requires of me. It allows me to focus on the issues on which I consider a fair outcome will turn.

Mr and Mrs H applied for a lifetime mortgage with m2l, via their independent mortgage broker, to purchase their home on 22 November 2023. m2l commissioned a valuation, which was completed two days later. The valuer highlighted that the property was not on mains drainage.

There was a query about the address of the property, but following an explanation for the differences, m2l issued a mortgage offer to Mr and Mrs H on 30 November 2023. The offer was valid for 42 days and contained some special conditions that Mr and Mrs H's solicitors needed to satisfy before the mortgage could move forward:

- Evidence Mrs H had indefinite leave to remain in the UK.
- The property would be insured for flood with no special conditions.
- There was an easement in place regarding the electricity pole within the boundary.
- Mr and Mrs H's adult child living with them was to complete a consent form.
- Any assumptions made by the valuer about the title must be confirmed.

On 11 January 2024 a new mortgage offer was issued. This included an additional special condition relating to the drainage system at the property. The offer was valid for 29 days. At this point, none of the special conditions had been satisfied by Mr and Mrs H's solicitors.

Mr and Mrs H's broker complained a few days later about the delay in them being informed of the special condition relating to the drainage system and that this would delay exchange of contracts. m2l responded by confirming that while this special condition had been added after the original ones had been set, none of the original special conditions had yet been satisfied, as such, Mr and Mrs H were not in a position to exchange anyway.

It was confirmed by Mr and Mrs H's solicitors in the middle of January 2024 that there was no formal agreement with the present owners for access to the electricity pole on the property. This caused m2l concerns and it sought additional legal advice. Most of the remaining special conditions were satisfied between 24 and 30 January 2024 and m2l

agreed to lend despite the situation regarding access to the electricity pole, on 19 February 2024.

A new mortgage offer was issued on 20 February 2024, which was valid for 42 days. The special condition relating to flood insurance remained outstanding.

m2l formally responded to the complaint in a letter of 26 February 2024. It set out a timeline of what had happened during the application. It acknowledged that it had omitted a special condition from the original mortgage offer relating to the drainage arrangements, but said this had not caused any delays in the progress of the application. As such, it rejected the complaint. Unfortunately, m2l sent this letter to Mr and Mrs H at the property they were purchasing, but had not yet completed on.

The mortgage completed on 18 March 2024 and Mr and Mrs H received m2l's response to their complaint.

Mr and Mrs H were not satisfied with m2l's response and following it confirming that its stance had not changed, they referred their complaint to this Service. One of our Investigators considered the complaint, but he didn't recommend that it be upheld.

Mr and Mrs H said that they thought the Investigator was incorrect in his conclusion that they had not suffered a loss due to delays on the part of m2l. As such, they asked that the complaint be referred to an Ombudsman.

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.

It is clear that the mortgage didn't complete in the timescales Mr and Mrs H had hoped for. They've said their advisers told them that it would be possible for them to be in the property by Christmas – so around four weeks.

While lifetime mortgages can sometimes complete much faster than a more traditional mortgage, this tends to be on properties that are already owned by the borrowers and where there is nothing that could cause a lender concerns. That was not the case here; Mr and Mrs H were purchasing the property and there were features of the property that meant that m2l had potential concerns about lending on it and those concerns needed alleviating before the mortgage could go ahead. A lender is allowed to decide what risks it is willing to take when lending and so there was nothing wrong with m2l asking for the information and documentation it did.

That said, there is no question that m2l asked for the information about the drainage system later than it should have; by around six weeks. As such, I have considered whether the delay in m2l adding this special condition to the mortgage offer delayed the mortgage completing. I am not persuaded that it did. I say this as documents and information needed to satisfy the special conditions set in November 2024 were not provided until after that needed for the drainage condition to be satisfied was provided.

I have also thought about the time it took m2l to make a decision about the special condition relating to the electricity pole. M2l was told in the middle of January 2024 that the condition could not be met. At this point it could have simply withdrawn the mortgage offer, but it did not. It considered the matter further and sought additional legal advice. While this process took around a month, there were other special conditions that were outstanding for most of that time, and that relating to the flood insurance was outstanding even after the decision

about the electricity pole was made. I don't think m2l acted inappropriately or that in doing what it did, it caused the completion of the mortgage to be delayed.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs H to accept or reject my decision before 6 January 2025.

Derry Baxter
Ombudsman