

The complaint

Ms T complains about the amount of time it took for a secured second charge loan arranged by The Mortgage Exchange Ltd (TME) to complete.

What happened

Ms T spoke with TME on 6 March 2024. She wanted to consolidate some existing unsecured debt by way of a secured loan. Ms T says she was told by TME that the secured loan could complete within ten days. TME provided a recommendation the same day.

The following day, Ms T provided her payslip, but due to certain deductions showing on it, she wasn't eligible for a loan with the lender TME had recommended. A new lender was selected that day. However, this lender declined the application on 14 March 2024. Another lender was approached, but again Ms T didn't pass its affordability checks.

TME continued to try to place Ms T's loan, and on 22 March 2024 managed to find another lender who would provide the loan amount Ms T wanted. Ms T was told what information was required, and she provided this on 3 April 2024 when an application was submitted on her behalf by TME to the new lender. The application went through the lender's underwriting process, which resulted in a number of questions being asked of Ms T via TME.

During this time Ms T suffered a bereavement and took some time off work. She also entered into a payment arrangement with some of her unsecured lenders. The new lender asked questions about Ms T taking time off work and the payment arrangements she'd recently entered into which delayed the application further.

Just before the loan completed, Ms T complained to TME. She said the process had taken too long.

A loan offer was produced on 10 May 2024 following a successful valuation. And the secured loan completed on 13 May 2024.

TME responded to Ms T's complaint. But it didn't uphold it. TME said it had progressed the application in a timely manner, had kept Ms T updated and couldn't be responsible for information that the lender required.

Ms T didn't accept this and referred the complaint to our Service. She said there were debts that weren't repaid in full by the loan, she was asked for information on a piecemeal basis and that she was constantly misled into believing her loan would be completed imminently. Ms T also thinks the fee paid to both broker and lender is excessive.

One of our Investigators looked into the complaint. He didn't think there were any avoidable delays and didn't think the complaint should be upheld.

Ms T didn't agree. She asked for the complaint to be considered by an Ombudsman. So it's been passed to me to make a final decision.

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.

First, I want to reassure Ms T that I've read and thought about everything she's provided us. I may not comment on, or respond to, each and every point she's raised. That's not because I haven't considered it. It simply reflects the informal nature of our Service. Instead, I've focussed on what I consider to be the crux of the complaint. I hope Ms T realises I mean no disrespect by this.

I also understand Ms T has had a very difficult time during the application process with her sister passing away. I'm very sorry to hear of her loss and what she's been through.

It's not been disputed that Ms T was initially told by TME that an application for a secured loan *could* go through within ten days. But this is an ambitious time frame and does mean everything needed to go perfectly. However, I can't see that TME ever guaranteed that this time frame would be achievable in this case. This was always a best case scenario.

Initially, Ms T gave information on her salary. However, there were some discrepancies with some of the deductions on here. This meant that the initial lender chosen would no longer offer the amount she required. There was never a guarantee that the first lender would be able to provide the loan, and unfortunately that proved to be the case. So TME had to look for another lender. Other lenders were approached but wouldn't offer Ms T what she wanted.

It wasn't until 22 March 2024, that a new lender was found that would be able to offer Ms T the amount she required. It is unfortunate that it took some time for a lender to be found that would offer Ms T the amount she required. However, as Ms T has acknowledged, her credit history meant she was always going to find it difficult to find a lender willing to offer her what she required. And I can't see there has been any avoidable delays by TME up to this point.

Following the new lender being found, Ms T was asked for further information and an application was submitted. Further information was requested by the lender on a number of occasions after the application was submitted. This included information about Ms T having recently taken some sick leave following her sister's passing. And the fact that Ms T had recently missed some payments on gone into an arrangement with some of her unsecured creditors. Unfortunately, this is something the lender was entitled to ask and not something TME could've foreseen.

I'd also note that at times, Ms T wasn't always able to provide exactly what TME asked her for, and it had to request this information again. For example, TME asked for a letter from Ms T's employer, and she provided a sick note instead. This meant that TME had to request the information again from Ms T.

I understand some of this information wasn't always easily available to Ms T. But this was information that the lender required in order to assess the application. Again, this isn't something TME had any influence over. And it appears TME always requested further information promptly. Nor that TME asked for information it already had.

The contact notes provided by TME show that it kept Ms T updated on the progress and chased her for further information whenever it was required. And I've seen nothing to suggest that TME ever told Ms T the loan was due to complete soon, prior to the offer being issued.

There was a delay in the valuation of Ms T's property being booked and carried out. But this

is something the lender is responsible for, and not something that TME would've had any influence over.

I understand it must've been frustrating for Ms T to have been asked for further information at various stages. But as I've explained these information requests came from the lender. And were in relation to things such as recent sick pay showing on payslips and missed payments on other debts. I can't see that TME could've anticipated these questions being asked. And, as I've said, TME always requested further information from Ms T promptly, and also forwarded it to the lender as soon as was possible.

Ms T has raised the amount of the fee that both TME and the lender have charged. Applying for second charge borrowing isn't always straight forward and can take more work than a normal mortgage application. This is why the fees can be higher than those charged when applying for a standard mortgage. I don't think the fee charged is out of line with what is typical within the industry. And TME did make Ms B aware of the fees at the start of the process. If she wasn't happy with the amount, there was no obligation for her to proceed.

Ms T has since said that she's read reviews about lender online which aren't good, and that TME should reconsider using this lender. However, as I've previously explained, this was the only lender available to Ms T in her situation at the time. And she's told us she was in a difficult position and wanted this secured loan. I'd also note that Ms T could've looked into the lender beforehand, and there was no obligation for her to proceed with the loan if she wasn't happy with what she found out about the lender.

Ms T says she's not received confirmation of the other debts being repaid and that they may not have been fully repaid. But that would be a matter for the new lender, and her existing unsecured lenders. Once the loan completed, TME's involvement was effectively at an end. I understand Ms T says that she was told she couldn't deal with the lender directly. This was correct during the application process as this lender only accepted applications from brokers such as TME. But now the loan has completed, and Ms T has a loan with the lender, she will be able to deal directly with it.

Overall, I can see that the loan took longer than Ms T would've liked. But I don't think TME ever guaranteed it would complete sooner. I'm satisfied, as set out above, that TME kept Ms T updated throughout the process of the loan application and did what it could to speed up the process. And I can't see it's responsible for any of the delays in the loan being approved and completing.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 2 January 2025.

Rob Deadman
Ombudsman