

The complaint

Mr I complains that HL Partnership Limited's actions have led to him suffering emotional and financial detriment.

What happened

Mr I originally took out a residential mortgage in 2017 through a mortgage broker that was an appointed representative of HL Partnership Limited. The mortgage was with his ex-partner and one of their family members and it looks like the mortgage had an initial interest rate running for approximately two years. In 2019, Mr I's ex-partner arranged a re-mortgage with a different lender, through HL Partnership, on a five-year fixed interest rate. The re-mortgage was in Mr I and his ex-partner's name only.

In 2023 Mr I's relationship with his ex-partner broke down and related to this he says it came to light that around the same time as the re-mortgage in 2019, the property ownership had been split in a way that was advantageous for his ex-partner and disadvantageous for him. After conducting various enquiries, Mr I made a number of complaints, including one to the HL Partnership.

In summary, Mr I complained to HL Partnership that although he was aware of the re-mortgage, he hadn't been involved in the process in any capacity. He said his ex-partner had acted fraudulently, including forging his signature, in respect of both the re-mortgage and the split of property ownership. Mr I said HL Partnership had incorrectly certified documents for a solicitor to facilitate the fraudulent actions of his ex-partner.

HL Partnership didn't uphold the complaint. It said Mr I had confirmed he was aware of the re-mortgage application and that he'd signed the fact find declaration. It said that it ought to have spoken with Mr I, but this not happening hadn't been the cause of the financial and emotional issues Mr I was experiencing.

Mr I remained unhappy and referred his concerns to the Financial Ombudsman Service. An Investigator here initially said the complaint wasn't one we could deal with, because of the type of mortgage involved. However, after it was clarified the mortgage was residential, the Investigator went on to give their opinion on the merits of the complaint.

In summary, the Investigator didn't uphold the complaint. They said HL Partnership ought to have attempted to contact Mr I directly, But that Mr I had been aware of the re-mortgage and although he'd said he hadn't been directly involved, it wasn't unusual for one party to act on behalf of both borrowers.

The Investigator said they'd thought about all the points Mr I had raised about why the transaction had been fraudulent, but that they didn't think the HL Partnership would've had any reason to think Mr I didn't want to proceed. The Investigator also said they didn't think HL Partnership had caused the issue in relation to the division of ownership.

Mr I disagreed. He said there was some prior association between his ex-partner and HL Partnership and emphasised that it ought to have noticed inconsistencies in his signature

across different documents. Mr I emphasised issues relating to HL Partnership certifying a proof of address document and in relation to his Passport. He also highlighted his concerns about the lack of direct contact and associated issues with the contact details that HL Partnership held.

In terms of the financial impact of what's happened, Mr I has said he's been left with a large mortgage that he wasn't aware of and hadn't agreed to and that he's now incurring legal costs in relation to the property ownership issue, as a result of HL Partnership's negligence.

As the matter wasn't resolved, it has 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.

I appreciate Mr I feels very strongly about the issues he's raised and that he's going through a challenging time. But having considered everything, I've come to the same overall outcome as the Investigator and for broadly the same reasons.

Before I explain why, I want to set out the purpose of my role. It isn't to address every single point that's been made to date. Instead, it's to decide what's fair and reasonable given the circumstances of this complaint. And for that reason, I'm only going to refer to what I think are the most salient points when I set out my conclusions and my reasons for reaching them. But, having considered all of the submissions from both sides in full, I will continue to keep in mind all of the points that have been made, insofar as they relate to this complaint.

HL Partnership has conceded that it ought to have made direct contact with Mr I before concluding the re-mortgage. Although it isn't particularly unusual for one of a joint party to take a lead on a re-mortgage, I agree with this – HL Partnership ought to have made direct contact with Mr I about the re-mortgage.

However, I don't agree with Mr I that this not happening has led to him suffering a financial loss in relation to the re-mortgage. I'll explain why.

First, I've thought about whether HL Partnership had reason to think there may have been something untoward in terms of the proposed re-mortgage. But having considered very carefully everything that Mr I has said about where he says his signature has been forged and issues with the proof of address and his Passport, on balance I'm not persuaded there was anything that would've suggested to HL Partnership that there were any issues with Mr I's consent or anything that otherwise would have required further investigation.

Mr I has suggested some kind of connection between his ex-partner (and/or her place of work) and HL Partnership. But I've not been provided with any evidence relating to this and I'm not persuaded this is significant in what happened.

In addition, Mr I has confirmed he was aware of the re-mortgage taking place and that he provided documents to his ex-partner in relation to this. He has most recently said that whilst he did send his ex-partner information, his understanding was that his ex-partner hadn't begun doing anything in earnest in relation to a re-mortgage and was just gathering information.

However, Mr I was aware he was party to a mortgage taken out in 2017 and although he's said he's been left with a large debt with a lender that he wasn't aware of, he's not said that he thought the original mortgage had somehow been repaid and I cannot see how he would

have thought this to be the case. Re-mortgaging at the end of a fixed rate period is often a sensible thing to do in order to avoid the relatively high cost of moving on to a lender's Standard Variable Rate and it seems to me that Mr I was aware that his ex-partner was taking a lead on arranging a re-mortgage.

Bearing this in mind, had HL Partnership made direct contact with Mr I, I've not seen anything to persuade me that he wouldn't have wanted to go ahead with the re-mortgage at the time on the terms that his ex-partner had arranged, notwithstanding the concerns he has since raised, a number of years after the event.

Finally, HL Partnership wasn't directly involved in the change in property ownership – that was being carried out by a solicitor. With this in mind, I cannot reasonably say that HL Partnership would be responsible for legal costs relating to the property ownership issue.

My final decision

My final decision is that I don't uphold Mr I's complaint against HL Partnership Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 15 January 2025.

Ben Brewer
Ombudsman