

## **The complaint**

Mr and Mrs M complain that Peter Botterill trading as Botterill Saw and Associates failed to arrange a second charge mortgage (secured loan) for them.

## **What happened**

Mr and Mrs M decided to take out a loan, intending to buy a car. They contacted an adviser firm, Botterill Saw, to advise on and arrange the loan for them. They asked about taking a further advance on their existing mortgage.

No loan resulted, and Mr and Mrs M complained. They said that Botterill Saw had led them on, caused delays, and failed to return their documents.

Botterill Saw said it advised Mr and Mrs M they wouldn't be able to take a further advance on their mortgage, but might be able to take out a second charge loan. It said it asked Mr and Mrs M for various documents to support their application, but either Mr and Mrs M didn't provide them, or provided the wrong documents. Botterill Saw said that it was only on 29 November 2023 that it received all the information it needed to go ahead. It then spoke to Mr and Mrs M, but they said that they no longer needed the loan. It said that it hadn't caused any delays in their application.

Mr and Mrs M weren't happy with that and brought their complaint to the Financial Ombudsman Service. They said Botterill Saw had told them the loan would be approved, then kept asking for more information and more documents. Then they were told that their application had been rejected. They said that Botterill Saw had provided poor service.

Our investigator didn't think the complaint should be upheld. As Mr and Mrs M didn't agree, it comes 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.

When Mr and Mrs M asked Botterill Saw to arrange a loan for them, it contacted a mortgage packager to help. A packager is a specialist firm that works with brokers to identify suitable lenders and manage loan applications. But Mr and Mrs M dealt with Botterill Saw throughout, and it is responsible for the advice and service provided. Another ombudsman has already explained to Mr and Mrs M that we can't consider a complaint about the packager.

Mr and Mrs M wanted to borrow around £70,000 on interest only terms to buy a high-end car. At the time, Mr M was retired and in receipt of state pension and a small private pension. Mrs M was in work, earning around £30,000 as well as receiving some benefits. They had various other unsecured debts as well as a first charge mortgage.

When their application was considered, therefore, the packager said that they would be unable to find Mr and Mrs M a loan. Based on Mr and Mrs M's income, the loan would not be

affordable by some distance.

Mr and Mrs M weren't happy with that. They pointed out that they had substantial equity in their property, as well as a large amount of savings and other assets.

But I don't think it was unreasonable that Botterill Saw advised Mr and Mrs M that they wouldn't be able to get a loan. Lenders expect borrowing to be affordable from income – and this wasn't. I appreciate Mr and Mrs M have relatively substantial assets, but that's not something that can be taken into account when considering affordability. From my knowledge of the mortgage market, I agree that this was likely to have been the case.

I've seen evidence that the packager told Botterill Saw that it wouldn't be possible to arrange a loan for Mr and Mrs M, and that was the advice Botterill Saw gave them. I'm satisfied that was the correct advice – it wasn't in fact possible to arrange a loan for them.

I'm therefore satisfied that Botterill Saw acted fairly and reasonably when it didn't arrange a loan for Mr and Mrs M. The fact is that no loan was available to them, so even if Botterill Saw felt able to recommend one, it wasn't possible to arrange it for them.

I've also thought about whether Botterill Saw acted fairly in the customer service it provided. In particular, Mr and Mrs M say it told them they would be able to get a loan, strung them along for a long period and caused delay by requesting more and more documents – only to then tell them they wouldn't get a loan after all.

The calls between Mr and Mrs M and Botterill Saw weren't recorded, so I can't confirm for myself what was said. But I have reviewed Botterill Saw's files, and I haven't seen any evidence that it caused unreasonable delay. It did keep going back to Mr and Mrs M for more information – but that was because they hadn't always provided what it had asked for. For example, Mr M provided a pension statement from 2020 not 2023 at first, and there were delays in providing other documents. The packager also had some questions, which Botterill Saw passed on to Mr and Mrs M.

As I say, I've not been able to listen to recordings of conversations. But nothing I've seen in the notes or emails that are available suggests that Botterill Saw promised that Mr and Mrs M would definitely be able to get a loan. That wasn't something it could promise – loan applications are decided by lenders, not brokers.

It's not clear whether the documents Mr and Mrs M gave Botterill Saw were originals or copies. But if Botterill Saw retains any original documents, it should return them to Mr and Mrs M.

I understand Mr and Mrs M were unhappy with the time it took for the application to be processed, and with the eventual refusal of the loan. I see they managed to buy the car in a different way, so they haven't lost out overall. And in any case, although their loan application was refused, I don't think that was because of anything Botterill Saw did wrong.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 7 January 2025.

Simon Pugh

**Ombudsman**