

The complaint

Mr M and Mrs H complain they had to make their first payment to Accord Mortgages Limited earlier than they think they should have done.

What happened

Mr M and Mrs H applied for a remortgage with Accord through a mortgage broker. The funds for the remortgage were sent to the solicitor completing the legal work on 29 February 2024, and Mr M and Mrs H's existing mortgage was repaid on 1 March 2024.

On 1 March 2024 Accord wrote to Mr M and Mrs H explaining that their first payment would be taken on 14 March 2024 along with the initial interest payment (which was for the one day in February). It also explained the monthly payment would then be collected on the first day of each month going forward.

Mr M and Mrs H complained about this as they had to make two full payments within two weeks. Accord didn't uphold the complaint, so Mr M and Mrs H referred their complaint to us.

One of our Investigators looked into the complaint. He said the funds were released on 29 February and therefore Accord was right to take the first payment in mid-March and then the second on 1 April.

Mr M and Mrs H didn't agree and asked for an ombudsman to review the complaint.

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.

Although I've read and considered the whole file, I'll keep my comments to what I think is relevant. If I don't comment on any specific point it's not because I've not considered it but because I don't think I need to comment on it in order to reach the right outcome.

I understand that Mr M and Mrs H wanted the remortgage to complete on 1 March. But to achieve that the funds were released on 29 February 2024 to the solicitor who was completing the remortgage. That process was set out in the mortgage offer which states 'We usually send the loan monies to our legal adviser on the last working day before your loan is due to complete – that date is supplied by our legal adviser.'

The mortgage offer also states that 'Interest will be charged from the day the loan monies are sent to our legal adviser. Between then and the end of that calendar month, there will accrue some interest ...' The loan monies were sent to the solicitor on 29 February, so it follows that interest would start being charged from that date.

The first full payment was technically due on 1 March – the first full month after completion. But because there wasn't time to set up a direct debit, Mr M and Mrs H didn't have to pay this for two weeks; so not until 14 March. Whilst I accept it was inconvenient that Mr M and

Mrs H had to make two payments within the space of two weeks, they shouldn't have had to make a payment to their previous lender for March.

Mr M and Mrs H say that the mortgage didn't start until 1 March, so the first payment shouldn't have been due until April.

The terms and conditions say:

'You will make the monthly payments set out in your Offer until your Loan is repaid. These payments will start in the month after the Loan is advanced to you and will be due on the first day of the month if no other date has been arranged.'

So the terms and conditions refer to payments starting from the month after the funds are advanced, rather than the month after the mortgage starts / completes.

Mr M and Mrs H have said they didn't receive the funds until the mortgage completed – on 1 March. But when the funds were released to the solicitor, they were accepted on behalf of Mr M and Mrs H. And as such, I'm satisfied Accord was entitled to charge interest from this date.

Whilst the solicitor was instructed, and paid for, by Accord, this doesn't mean they are solely working on behalf of Accord. They will carry out some work on behalf of Accord and some on behalf of Mr M and Mrs H. If the work being complained about is something the solicitors are doing for Accord, then we may be able to consider it. If, as in this case, the work being complained about is being carried out on behalf of Mr M and Mrs H, then we don't have the jurisdiction to consider actions of the solicitor. The setting of the completion date to meet the consumers' objectives would be considered work the solicitor was carrying out on behalf of Mr M and Mrs H, not work being carried out on behalf of Accord.

The solicitor was acting on behalf of Mr M and Mrs H when receiving the funds. And we can't consider their actions when they are completing work on behalf of Mr M and Mrs H, which they were doing when requesting and accepting the funds prior to completion. If Mr M and Mrs H are unhappy about the actions of the solicitor, they may wish to consider complaining to the Legal Ombudsman, but I can't consider the solicitor's actions here.

Had Mr M and Mrs H specifically not wanted to start paying interest until 1 March and for their first full payment to not be due until April (with just the initial interest falling due in March), this would've meant delaying completion until 2 March and paying an additional day's interest to their existing lender. The initial interest in March also wouldn't have been the £58 that was collected, as that was the interest for just one day in February, instead it would have been around £1,800, so only around £700 less than the full contractual monthly mortgage payment that was collected.

I accept that Mr M and Mrs H may not have been expecting to make the first payment so soon, and this must've been frustrating finding out that they had to make two payments within the space of two weeks. But as I've said, I'm satisfied Accord was entitled to charge from this date. And the responsibility of making sure Mr M and Mrs H understood the mortgage and how it worked lies with the broker who arranged it, and the solicitor in terms of the setting of the completion date.

I appreciate that this decision is likely to be disappointing for Mr M and Mrs H, but for the reasons set out above, I don't uphold this complaint.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs H to accept or reject my decision before 17 January 2025.

Julia Meadows

Ombudsman