

The complaint

Mr T complains that Legal & General Home Finance Limited (L&G) unfairly required him to apply for a drawdown on his lifetime mortgage and delayed releasing the drawdown.

What happened

In July 2024, L&G issued a mortgage offer to Mr T for a lifetime mortgage. The mortgage was recommended by a third-party broker. The amount borrowed was £26,000, with a further drawdown facility available of £12,525.

The mortgage offer contained the following special condition:

17. Special conditions
Solicitor to obtain a written undertaking from the customer for the works identified in the electrical report to be carried out by a qualified professional within three months of completion. We will require receipted invoices/guarantees as evidence when the work has been completed and sight of the NICEIC satisfactory certificate. No drawdown will be released until the works are completed.

On 6 September 2024, the mortgage completed and the proceeds of the mortgage were sent to Mr T.

On 9 September 2024, Mr T gave L&G evidence that the work in the electrical report had been completed. L&G said that needed to be reviewed by its underwriters and by the surveyor.

On 19 September 2024, the surveyor confirmed to L&G that the evidence provided by Mr T was satisfactory.

On 27 September 2024, L&G told Mr T's broker that Mr T would need to contact it directly to complete an application for the drawdown.

On 1 October 2024, Mr T spoke to L&G and completed an application for the drawdown. On 8 October 2024, L&G released the drawdown to Mr T.

Mr T complains that he was told that he would be able to use the drawdown facility once he'd provide evidence the electrical work had been completed. He said neither he nor his broker were told that he would have to apply for the drawdown. He said L&G had delayed releasing the drawdown.

The investigator said that Mr T's broker had confirmed they had given him a booklet that set out that an application was needed for a drawdown. But he considered that L&G had missed opportunities to tell Mr T what he needed to do and that it had caused some delays. The investigator said that L&G should pay Mr T £250. But he said that Mr T had not provided evidence that he had suffered a financial loss because of what happened.

L&G agreed with the investigator's recommendation to pay Mr T £250. Mr T did not accept what the investigator said. He responded to make a number of points, including:

- The amount of compensation recommended by the investigator was not fair.
- A lot of the work he intended to carry out was delayed because of what happened. That had caused him considerable inconvenience and stress.
- His home had been vandalised and the delay in receiving funds meant he could not repair his property or undertake additional security measures.
- He should be paid £500.

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 was reasonable for L&G to require Mr T to complete an application before it released the drawdown. That is in line with what I consider to be good industry practice. I am satisfied that L&G took reasonable steps to tell Mr T that when the mortgage was arranged.

The mortgage offer said "*availability of the Drawdown Facility is not guaranteed and in any of the following circumstances, we may withdraw your Drawdown Facility if at the time of application...*" It follows that the drawdown was not guaranteed and was subject to application.

L&G also gave Mr T's broker a copy of its "all you need to know" booklet. That set out that an application was required before the drawdown was released and that Mr T needed to contact L&G directly to make an application.

I do not consider that L&G was responsible for any initial misunderstanding about what Mr T needed to do to use the drawdown facility. I agree with the investigator that there were some missed opportunities to tell Mr T what he needed to do to complete the drawdown. And L&G has accepted that it delayed processing the surveyor's response.

L&G also noted that its usual turnaround time for a drawdown application for essential work to be completed was three weeks – and the total time taken here was within that.

L&G has not always treated Mr T fairly and that meant the application took longer than it otherwise would have. But Mr T has not given us any evidence that he has suffered any financial loss because of the short delay in giving him the drawdown. So that leaves compensation for the distress and inconvenience that Mr T experienced because of this matter.

L&G partially contributed to the confusion about what Mr T needed to do to apply for the drawdown. But it was not solely responsible for that. And there was a slight delay of a few days in giving Mr T the funds from the drawdown. Mr T says that meant that he was unable to complete urgent work that was needed to secure his home and that he had work booked

in that he had to delay. But the evidence I have does not support that L&G was aware of any of that.

Nevertheless, even if I were to accept everything Mr T has said about the distress and inconvenience he experienced as a result of this matter, I consider that £250 is a fair amount to compensate him, bearing in mind all of the circumstances, including the length of the delay.

My final decision

My final decision is that Legal & General Home Finance Ltd should pay Mr T £250.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 11 June 2025.

Ken Rose
Ombudsman