

The complaint

Mr B and Miss W complain about the advice received from Harris Begley Lifetime Partners Limited, a mortgage broker and appointed representative of Quilter Mortgage Planning Limited. They say they weren't given correct information about a government Help To Buy bonus scheme, which would have formed part of their deposit funds.

What happened

Mr B and Miss W were purchasing their first home and contacted a mortgage adviser from Harris Begley for advice. A fact find was carried out which showed Mr B and Miss W's deposit would be made up of savings in a Help to Buy (HTB) ISA, a Lifetime ISA and a Help to Buy scheme linked to Mr B's employment. The mortgage adviser included a bonus amount from the government Help to Buy scheme in Mr B and Miss W's deposit amount.

The mortgage adviser produced a personal recommendation report for Mr B and Miss W recommending a mortgage of around £250,000. It recorded Mr B and Miss W had a deposit of around £30,000, this included an amount from a government bonus scheme of 25% of their savings in the HTB ISA and Lifetime ISA. A mortgage offer was produced in February 2024 which Mr B and Miss W accepted.

In May 2024, Miss W contacted the mortgage adviser as it had become clear they weren't eligible for the government bonus on the HTB ISA. Mr B and Miss W used funds from their savings to make up the shortfall in their deposit. The property purchase completed the following week.

Mr B and Miss W complained to Harris Begley that the mortgage adviser hadn't told them they wouldn't qualify for the bonus on the HTB ISA. They said if the mortgage adviser had told them this at the outset, they would have transferred their funds from the HTB ISA to their Lifetime ISA which has different eligibility rules, and the bonus would have been paid. Harris Begley didn't uphold Mr B and Miss W's complaint. It said discussions around the HTB ISA were for the purposes of establishing how the deposit would be funded and for mortgage affordability. It said no advice was given on the HTB ISA. And it said Mr B and Miss W became aware they weren't eligible for the HTB bonus 12 days before the purchase completed, so they had the opportunity to look at other options and didn't.

Mr B and Miss W didn't agree, so they referred the complaint to our Service where one of our Investigators looked into it. Our Investigator didn't think the complaint should be upheld. She thought it would have been helpful if the mortgage adviser had told Mr B and Miss W they wouldn't be eligible for the bonus. But she said the adviser hadn't given advice on the ISA which had been taken out years before. She didn't think the adviser was solely responsible for the financial loss as the solicitors, as well as Mr B and Miss W, should have taken reasonable steps to check whether they were eligible.

Mr B and Miss W still didn't agree. They said they had paid for mortgage advice so no detail would be missed. As they didn't agree with our Investigator, the complaint was passed to me to consider and make a decision. I issued a provisional decision on 24 January 2025 setting out my conclusions on this complaint. In that I said:

“I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint. Having done so, I’m persuaded Harris Begley should have done more when giving advice to Mr B and Miss W about their mortgage.

During the initial contact between Miss W and the mortgage adviser, Miss W said, “I currently have £7811 .25 in a Help to Buy ISA but I am not sure how much the 25% government bonus would top our deposit up to”. The mortgage adviser responded to say the ISA included a bonus figure of £1,952. This deposit amount was then factored into the advice given for the most suitable mortgage for Mr B and Miss W’s circumstances and needs.

It’s clear that Miss W was unsure if they would qualify for the bonus. Harris Begley’s response here would have reasonably led Mr B and Miss W – as consumers and relatively inexperienced first-time buyers – to believe that they would. If Harris Begley was not giving advice on the ISA or the bonus as it says, or if it was unsure if Mr B and Miss W would qualify, then it should have made this clear. There was a requirement for Harris Begley to give clear, fair and not misleading information to enable Mr B and Miss W to make an informed and timely decision. In these circumstances, I’d have expected Harris Begley to make it clear it hadn’t checked if Mr B and Miss W would be eligible for the bonus, and the onus was on them to look into this. But it didn’t do that. So, I don’t think it was unreasonable for Mr B and Miss W to think they could rely on the mortgage adviser’s understanding of the bonus eligibility rules in these circumstances.

If Harris Begley had made Mr B and Miss W aware it hadn’t and wouldn’t be establishing if they were eligible for the bonus, I have no reason to doubt Mr B and Miss W wouldn’t have checked this themselves. The government bonus scheme is only available with a property purchase price of up to £250,000 outside of London. It was clear from the outset that Mr B and Miss W were purchasing a property over this amount. This information is readily available, and if Mr B and Miss W had been made aware they weren’t receiving advice on this, I think they would have established they weren’t eligible for the bonus and looked at their options.

The advice given by Harris Begley was ultimately based on Mr B and Miss W’s deposit funds being higher than they were. Mr B and Miss W needed to use other savings, which they had intended to use for purchasing furniture, to make up the shortfall in their deposit. They’ve said they then needed to borrow funds for this purpose from family. So, the advice given wasn’t based on an accurate picture of Mr B and Miss W’s finances or the deposit available to them. Without this, it’s difficult to say the mortgage advice was suitable for their needs and it resulted in them needing to borrow funds from family.

I think the confusion about whether Harris Begley had checked if Mr B and Miss W were eligible for the bonus was avoidable. If Harris Begley had taken steps to ensure they understood this hasn’t been considered, then Mr B and Miss W would have discovered they weren’t eligible sooner. Harris Begley could then have given advice based on the correct deposit funds which was suitable for their circumstances. Mr B and Miss W could also have taken action to look into their options with the government bonus schemes.

I appreciate that Harris Begley has said Mr B and Miss W knew they weren’t eligible for the bonus 12 days before completing the purchase and didn’t take action. So, it says if Mr B and Miss W had known earlier that they weren’t eligible, they wouldn’t have acted differently. But I don’t agree. I can’t agree the same options were available to Mr B and Miss W 12 days before completion, as would have been available if they had been made aware almost four months before completion. With the limited time available before completion, and the busy

demands of moving and purchasing a first property, it wasn't unreasonable that Mr B and Miss W didn't look at other options so close to the completion date.

Miss W has said that if she had been aware in February that they wouldn't be eligible for the bonus, she would have transferred the funds into their Lifetime ISA. She's said she would have transferred up to the limit for the bonus before the end of the tax year in April, and then transferred the remaining amount in May for the new tax year. She's said this would have meant they were entitled to the full government bonus through the Lifetime ISA.

I've no reason to doubt that Mr B and Miss W would have done this if they had had enough time to look into their options. I've reviewed the bonus rules of the Lifetime ISA, and if Mr B and Miss W were purchasing the property 12 months after they made their first payment into the Lifetime ISA, it appears they would have been eligible for the 25% bonus on the full amount in the ISA. If this is the case, I think it's more likely than not that if Harris Begley had made them aware it hadn't checked if they were eligible for the bonus and they'd discovered they weren't, that Mr B and Miss W would have transferred their funds to the Lifetime ISA and received the 25% bonus payment.

I request that Mr B and Miss W provide evidence of their first payment into the Lifetime ISA and show that this was more than 12 months before the property was purchased. If Mr B and Miss W can provide evidence of this, then my decision will be that it is fair for Harris Begley to pay an amount equal to the 25% bonus to Mr B and Miss W.

If Mr B and Miss W can't provide evidence of this, then I can't fairly say they would have received the bonus had Harris Begley made them aware it hadn't checked if they were eligible in February. But Harris Begley would still have caused them a degree of distress and worry by not making them aware of this earlier. So, if Mr B and Miss W weren't entitled to the bonus through the Lifetime ISA, it's still right Harris Begley compensate them for the distress caused. If Mr B and Miss W can't provide evidence of their first payment into the Lifetime ISA being made more than 12 months before the property purchase, my decision will be that it's fair for Harris Begley to pay £150 as compensation for the additional distress caused by finding out they weren't eligible for the bonus as the purchase was completing."

Both parties were given a two-week timeframe to make any further comments. Harris Begley confirmed it did not accept my decision as it did not provide advice on the Help to Buy ISA. Mr B and Miss W accepted my decision and provided a copy of a statement from the Lifetime ISA showing the first payment was made into it more than 12 months before the property was purchased.

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.

Having reviewed all the information provided again, I won't be changing my decision. I understand that Harris Begley did not advise on the Help to Buy ISA, but I am still of the opinion that it should have made it clear to Mr B and Miss W that it wasn't advising on the bonus and the onus was on them to make sure they were eligible. If it had done this, I think Mr B and Miss W would have discovered that they weren't eligible for the bonus as things stood and they would have moved their funds to the Lifetime ISA.

Having reviewed the evidence provided by Mr B and Miss W, I'm satisfied that had they moved their funds to the Lifetime ISA as they've described then there was no reason why they wouldn't have been eligible for the bonus.

My final decision

My final decision is that I uphold this complaint. Quilter Mortgage Planning Limited should pay Mr B and Miss W an amount equal to 25% of their savings in their Help to Buy ISA as at the time of completion of their property purchase.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Miss W to accept or reject my decision before 6 March 2025.

A handwritten signature in black ink, appearing to read 'E. Taskas', with a long horizontal flourish extending to the right.

Emma Taskas
Ombudsman