

The complaint

Mr B complains that he was required to pay an Early Repayment Charge, and a mortgage exit fee, to port his mortgage with Coventry Building Society to a new property. Mr B said Coventry's literature hadn't warned him he would have to pay this, in his circumstances.

What happened

Mr B said he was planning to port his existing mortgage with Coventry, as part of buying a new home. He knew that Coventry would ask him to pay an early repayment charge ("ERC") on his mortgage if his sale and purchase weren't simultaneous. He didn't think that would apply to him, because he was aiming to buy and sell on the same day. But Mr B said he was asked to pay charges, which were over £4,500, to complete his sale and purchase. Then he had to wait for Coventry to pay it back.

Mr B said Coventry's terms and conditions didn't explain that he would have to pay this amount to his solicitors and then try to get it back. He thought this should be clearer for customers, and Coventry should compensate him for the distress this caused, finding out late in the day that he would have to pay so much more than expected.

Coventry said it does ask customers to pay the ERC, and the mortgage exit fee, on their mortgages if they're redeeming one mortgage but not taking out another on the same day. That money can be refunded if the mortgage is then ported onto a new property purchased in the next six months. But if the mortgage porting happens on one day, so the sale and purchase are simultaneous, then Coventry waives this charge.

Coventry said that was clear in the literature it had sent to Mr B and to his solicitor, and it didn't think it had made a mistake here. And importantly, Coventry said it hadn't asked Mr B to pay these charges. His solicitor did that.

Coventry also said that its literature sets out that when customers are entitled to a refund of the ERC and mortgage exit fee, it will be paid directly to the borrower. Here, because Mr B had paid, and because his sale and purchase had completed on the same day, Mr B was due a refund. So Coventry had expedited the return of his payment. That refund was sent to him the day after his sale and purchase completed.

Coventry offered Mr B £50 because it thought it could have given him more information about how the ERC works with porting applications, on a call he had some months earlier. But it didn't think it had made any other mistakes here.

Our investigator didn't think this complaint should be upheld. He said Coventry had told Mr B's solicitors they didn't need to pay the ERC and mortgage exit fee. And when he did pay, Coventry refunded the payment promptly.

Mr B disagreed. He said he wasn't warned about needing to pay these charges. The redemption statement might have explained the position, but that wasn't sent to him, just to his solicitor, so he didn't know what was in the statement. And he said although Coventry paid him back promptly, he'd had to loan it over £4,500 for five days to have his sale

processed. But our investigator didn't change his mind. He still said it was Mr B's solicitors, not Coventry, who said this money had to be paid.

Because no agreement was reached, this case came to me for 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've reached the same overall conclusion on this complaint as our investigator.

Although Mr B eventually moved in December 2024, Mr B's solicitors started to ask for redemption statements in September. And Coventry has shown our service that each time Mr B's solicitors were sent a redemption statement, when they were preparing to action his sale, the same statement was sent to Mr B.

The redemption statements all included an ERC and a mortgage exit fee, in the total to be paid to redeem this mortgage. On both the cover letters sent to Mr B's solicitors and to him, Coventry included this –

If you complete the sale and purchase of both properties on the same day, then the mortgage exit fee and early repayment charge can be deducted from the total figure on this statement.

So I don't consider there was any confusion or lack of clarity on Coventry's part. Coventry said from the start that if the sale and purchase are not simultaneous, then the ERC and mortgage exit fee needed to be paid. If the sale and purchase do happen on the same day, then these extra costs don't need to be paid.

Mr B was intending to sell and buy on the same day. So as far as Coventry was concerned, Mr B didn't need to pay the ERC and mortgage exit fee, if his sale and purchase completed on the same day.

We know that the solicitors managing Mr B's sale wouldn't complete his sale without paying the ERC and mortgage exit fee. Mr B's solicitors did this because they were not also handling the purchase of Mr B's property. So if they processed the sale, they could not guarantee that the other solicitors working for Mr B would process his purchase on the very same day. If for some reason Mr B's purchase didn't go through on the same day (which is something the selling solicitors weren't in control of) and Mr B hadn't paid these extra charges, then Mr B wouldn't have paid enough to clear his mortgage. It seems likely that the selling solicitors were concerned that this could affect Mr B's sale.

It's not for me to assess whether Mr B's solicitors asking him to pay these fees was the best way forward in these circumstances. That's not my role here. But the important thing is that the decision to ask Mr B to pay around £4,500 of charges to redeem his mortgage, rather than relying on the sale and purchase happening at the same time, was taken by Mr B's solicitors. This was not Coventry's decision, and Coventry isn't responsible for Mr B being asked to pay the ERC and the mortgage exit fee, in these circumstances.

Mr B says that he wasn't aware that he was going to have to pay the ERC and the mortgage exit fee, until very late in the day. He said he was only told this in December, when he came to exchange contracts. But information on the position was with Mr B's solicitors from September. I don't think Coventry is responsible for when those solicitors took the decision that it would not be safe to proceed without paying the ERC and mortgage exit fee.

So I do think Mr B was in an unusual situation. And the decision to ask for payment was taken by his solicitors, not by Coventry. I don't think Coventry had to explain in its literature the possible decisions that solicitors might take in this situation.

Although Mr B was required to pay an ERC and mortgage exit fee, then await the refund, he told Coventry that fortunately he did have access to enough funds to cover this. And I can hear that Coventry offered to expedite the refund. It then did so, sending the money back the day after Mr B's sale and purchase completed.

Mr B said he'd been out of pocket for about five days, but again, it's not Coventry's decision when he paid this money. I would expect that Mr B's solicitors would have asked for the funds, and would hold them until the mortgage needed to be paid. So it doesn't seem likely that Mr B did lend Coventry £4,500 for five days, as it's not likely Coventry had the money for this long.

When Mr B complained, Coventry reviewed all the calls it had had with Mr B. And it offered him £50, because it thought it should, with hindsight, have proactively raised the issue of the ERC and how it would be treated in a porting application, with Mr B on a call in late July. Even if it had done so, I don't think Coventry could reasonably have been expected to anticipate and to explain the decision Mr B's solicitors would later take.

If Mr B hasn't yet received the £50 that Coventry offered, I'll leave it to him to decide whether he would like to ask Coventry to pay this now.

I know that Mr B will be disappointed, but I don't think Coventry made a mistake here, and that means I don't think this complaint should be upheld.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 26 August 2025.

Esther Absalom-Gough

Ombudsman