

The complaint

Mr and Mrs S complain about what happened when they approached a broker working under the umbrella of First Complete Limited trading as PRIMIS Mortgage Network ("PRIMIS") to help them secure additional mortgage borrowing.

What happened

Mr and Mrs S were very unhappy with the service provided by a broker working under the PRIMIS umbrella. They made two separate applications for lending, which they said took very much longer than they had been told to expect. They said the money was for home improvements, and the delays meant they spent much longer out of their home than they'd anticipated, causing stress and disruption to their family life.

Mr and Mrs S said things weren't explained to them, mistakes were made about personal lending they did intend to pay off, and business lending they didn't intend to pay off, and their broker repeatedly failed to deal quickly or efficiently with the queries raised by the lender. They said they appreciated that some of the problems caused here were the fault of the lender, but they thought most of what had gone wrong was caused by the broker.

PRIMIS accepted that some mistakes were made, but didn't think things were as bad as Mr and Mrs S had suggested. It thought the lending Mr and Mrs S applied for through its broker was discussed and agreed with them, before the first application for a "green" mortgage was made. And it said that most of the delays that Mr and Mrs S pointed to, happened because the lender asked Mr and Mrs S for further information, which took some time to obtain. That's often the case with mortgage applications.

PRIMIS said it did think its broker had all the documentation to submit the first application by 8 June, but didn't do so until 16 June, so there was a short delay there that PRIMIS was responsible for. PRIMIS also accepted there was some confusion around the tax forms Mr and Mrs S were asked to obtain, because they had hand delivered clear copies to the broker at the end of June but these weren't submitted to the lender until July. But PRIMIS said Mr and Mrs S were waiting for a letter confirming a benefit award at that time anyway, so this didn't delay their application overall.

PRIMIS said an offer for the green mortgage lending was issued on 13 July, but there was then a delay because of some confusion around whether Mr and Mrs S were going to pay off a business loan. That meant the offer was retracted and reissued, on 31 July. PRIMIS has accepted that Mr and Mrs S should have been asked for the information supporting this being business lending at the start of the application process, and that there had been a mistake here.

PRIMIS said it also understood there was then confusion about when the second application could be made, but it blamed this on conflicting information from the lender. The second application was eventually made in late August. PRIMIS said this application was made for £40,000. It said this sum was agreed after discussion between its broker and Mr and Mrs S. PRIMIS noted Mr and Mrs S had offered to clear their credit cards to increase the maximum lending, but said it wouldn't have been appropriate for its broker to tell them to take this step

before the lender had made some decisions about whether it was likely to lend.

PRIMIS said Mr and Mrs S were able to evidence they had cleared their credit cards on 21 September. PRIMIS noted there were subsequent delays until an offer was issued on 13 October, but said these were caused by the original valuation having expired and system problems at the lender.

PRIMIS noted that when the mortgage offer was issued, its broker saw this was at the rate previously applied for, but rates had since dropped and its broker secured the new, lower rate for Mr and Mrs S. The second lending offer was produced on 16 October.

PRIMIS accepted that the mistake in the first mortgage application was upsetting for Mr and Mrs S, but said it thought a lot of the stress they'd experienced was because they started work on the home improvements they wanted to make, before the funds were secured. PRIMIS said it would pay £300 to make up for its part in what had gone wrong. Mr and Mrs S weren't happy with that, and asked us to look into things.

Our investigator thought PRIMIS should pay £600 for this complaint, which is £300 more than it had previously offered. She thought there were a number of avoidable delays, and mistakes by PRIMIS, and it hadn't applied for the full amount of lending that Mr and Mrs S could have secured.

PRIMIS accepted that, but Mr and Mrs S didn't. They explained again how unhappy they were with the service PRIMIS offered, and how they weren't informed at the outset about the products they were taking out or the process of applying for them. They said they'd thought both applications would be done together. And they thought the overall delays were longer than our investigator suggested. They said the broker told them they could start work on their house before the second application was made, so they thought the broker should pay the extra costs incurred when funds weren't available quickly and this work was delayed.

Our investigator didn't change her mind. Because no agreement was reached, this case was then passed to me for a final decision. And I then reached my provisional decision on this case.

My provisional decision

I issued a provisional decision on this complaint and explained why I did propose to uphold it in part. This is what I said then:

Our investigator's view focussed on delays in this process, and distinguishing where those delays were the responsibility of PRIMIS rather than the lender (who I won't name here). I don't think there's any doubt that the broker caused delays at some points, including not making the first application promptly, and by failing to make clear that Mr and Mrs S were not intending to pay off a business loan as a condition of lending. I'll return to these delays in my decision below.

However, I think there is a wider issue here, which is whether PRIMIS explained at the start to Mr and Mrs S exactly what it was proposing for their lending, and how that would impact them. Here, I've reached a different conclusion to our investigator.

Mr and Mrs S had existing mortgage borrowing before they made these applications. Their fixed interest rate was on a particularly lengthy deal, so I agree it was appropriate for the broker to explore additional lending with their current lender. It's not clear where the suggestion of dividing up their new lending into two tranches came from – it may have first been proposed by the lender's business development manager ("BDM") who

is the broker's first point of contact with the lender. But whoever proposed this arrangement, it was PRIMIS' responsibility to explain this to Mr and Mrs S, and ensure they were happy with the proposal.

The proposal appears to have been that Mr and Mrs S should apply for £15,000 out of the total they wanted, on a "green" mortgage. If they met the conditions for a green mortgage, then they could secure its advantageous interest terms, allowing borrowing on a 0% interest rate for five years. However, that green mortgage borrowing appears to have been limited to £15,000, which fell well short of what Mr and Mrs S would need to complete works on their home. So Mr and Mrs S would need to make a second application.

PRIMIS said the lender repeatedly changed its mind about how long after the first application Mr and Mrs S would need to wait, before they could make this second application. But I have not been able to see evidence that the lender provided PRIMIS with conflicting, or indeed any, information on how long Mr and Mrs S would need to wait after a first application for the green mortgage, before a second application for additional borrowing could be made. Mr and Mrs S said they thought the two applications would be done together. I can see comments on a chat record between Mrs S and the broker, which initially suggested that the broker was only waiting until the valuation was done before the second application would be submitted, so she could assess the maximum amount the broker might offer. There was no suggestion then that the first application needed to be completed before the second could start.

On the evidence I've seen to date, it's not clear that Mr and Mrs S had been made aware that if they chose to make two applications, these wouldn't overlap. It's not clear that they had understood any possible requirements to wait before the second application was put in, or that the broker had clearly ascertained before the first application was made, what these delays might be.

However, if there were indeed going to be delays between the two applications, then this should have been discussed and agreed with Mr and Mrs S, before either application was made. I have not been able to see that this happened. I think this meant that Mr and Mrs S's expectations weren't managed, and they were not aware at the outset that their twin lending applications would be both more complicated and quite likely more prolonged, than a single application.

So I have to think about what Mr and Mrs S might have decided to do, if they'd been properly engaged in decision-making before the first application was done.

On one hand, the offer of a green mortgage was on very attractive terms. On the other hand, Mr and Mrs S had already started work before they approached the broker, and time was presumably of the essence.

I've considered what Mr and Mrs S had said, about the work they had started, and the need to retain good tradesmen who were booked to complete this work. But I've also set this against the fact that Mr and Mrs S would, if they were to take out two separate loans, be able to reduce the interest charged in the first five years on £15,000 of that lending from 5.34% to 0%. And I don't think either the broker or Mr and Mrs S would have anticipated the delays that they eventually experienced, caused by an unfortunate combination of broker mistakes and problems at the lender. So I think it is likely that if Mr and Mrs S had been properly informed at the outset, they would have chosen to apply for the same two tranches of lending.

If Mr and Mrs S were always likely to have opted for two mortgage applications, then this would have always taken a little longer than one application. However, if Mr and Mrs S had been aware of this from the start, they would have been better able to manage the programme of works to their house.

Turning to the amounts of lending, Mr and Mrs S were keen to maximise their borrowing, and it appears there was some flexibility in their home improvement plans at least initially. They secured £15,000 on a green mortgage, and £40,000 on ordinary lending. I can see that the broker asked the lender a number of times during the second application, to provide a maximum lending amount, and didn't get a clear answer on this. Unfortunately the broker then didn't return to this, when the second offer was made.

At this point, the broker did secure a reduction in the interest rate, from the rate of 5.34% initially applied for, to the then available rate of 4.95%. The lender has since made clear that it was prepared to lend up to £46,500, and I think the broker could have secured this sum for Mr and Mrs S if she had made this request too, at this point. Because she didn't raise this then, I think that meant Mr and Mrs S ended up with a smaller amount than they would have preferred, and could have borrowed.

When I consider the delays in this case, and how those have impacted Mr and Mrs S, I also have to take into account the happy accident that Mr and Mrs S now have a reduced rate of lending, as a result of those delays.

I must also take into account that Mr and Mrs S did start the work on their home, which it appears was always intended to be quite ambitious, before securing the lending they needed to complete that work.

Mr and Mrs S have said that they either started, or restarted, work on their property following reassurances given to them by their broker on a call on 7 August. They said they were told then that the second tranche of lending would be processed quickly and available to them soon. However, the valuation notes from 11 July, almost a month earlier, suggest extension and alteration works were already underway, and on 17 July Mrs S said they wanted to start work on the roof that week. So I do think work was already well underway before Mr and Mrs S said this reassurance was given by the broker.

Starting building work before the funds are secured always presents a risk. The work could be delayed if lending takes longer, or in a worst case scenario never finished if lending is never agreed. I don't think PRIMIS advised Mr and Mrs S at the outset that they could start work before the funds were secured, as it seems more likely that the work had begun before PRIMIS started making these lending applications.

That means I don't think it would be fair and reasonable here to ask PRIMIS to cover the additional costs of building work that Mr and Mrs S say they incurred when the applications took longer than expected. And I also think the stress that Mr and Mrs S experienced through the period when the two applications were being progressed, was considerably increased because they had started work before securing the required funds.

I'll now look at some of the delays that Mr and Mrs S have pointed to. I think all sides accept that the first application could have been started earlier, so I've taken that into account in my provisional decision.

On 22 June, the broker asked for clearer copies of the tax forms. Mrs S has told us these were supplied on 29 June, but the old, illegible copies were then resent to the

lender. It appears to me that PRIMIS accepts this may have been the case, but says Mr and Mrs S were waiting to confirm the amount of benefits received at this point. I can see that the lender expressed a clear preference for a benefits letter setting out the amount, although it eventually accepted a letter without the amount in payment, supported by recent statements. So it does seem likely that other issues were outstanding at the time that a mistake over the tax forms was made.

PRIMIS accepts it caused a delay by not clarifying at the outset that Mr and Mrs S didn't want to pay off a business loan. I've taken that delay into account in my decision below.

Although Mr and Mrs S then said that a further delay was caused because they were told not to pay off their credit cards right away, I don't think it would have been appropriate to ask Mr and Mrs S to do that at the earliest possible stage. If they had done so, and the lender then declined to lend at all on the second application, Mr and Mrs S would have been much worse off.

I know Mr and Mrs S weren't told right away that their lender had asked for fresh credit card statements showing the debts were cleared. I accept that this is poor service by PRIMIS' broker, but Mr and Mrs S did then have to wait for these statements to be issued, so a more prompt notification of this requirement wouldn't have allowed them to forward the statements any earlier. For those reasons, I don't think PRIMIS is responsible for a short delay while Mr and Mrs S waited for their new credit card statements to show their debt was cleared.

Overall, I think that Mr and Mrs S were provided with a poor service at a number of points. Their broker did make mistakes, cause some avoidable delays, and failed to keep them updated with progress. Although they ended up with lending at a lower rate than expected, they also missed out on £6,500 of further borrowing that could have been used to fund works on their house. However, I don't think PRIMIS is responsible for Mr and Mrs S's decision to start work or commit themselves to timescales before the lending they needed was secured.

Mr and Mrs S say that this had a significant impact on them. They've pointed to a decline in Mr S's overall health, and say that it was distressing not to be able to care for a seriously ill family member at home, because their house wasn't yet finished. Even if we set aside the additional problems caused by Mr and Mrs S having started work before their lending applications began, I do though think that PRIMIS itself caused distress and anxiety for Mr and Mrs S through this process. And, importantly I think that it also failed to explain to them at the outset how these two applications would work, and secure their agreement to that.

Although I think it's likely they would have decided to go ahead with these two separate tranches of lending anyway, I think their distress would have been lessened if they had understood at the outset what two separate applications would mean, and made a positive decision to take this option.

Given these failings, and their impact on Mr and Mrs S over several months, I think it's appropriate to ask PRIMIS to pay £950 in total for this complaint. I think that provides a fair and reasonable outcome to this complaint. PRIMIS can take into account in this amount, the sum of £300 it has previously offered, if that has already been paid.

I invited the parties to make any final points, if they wanted, before issuing my final decision. Only Mr and Mrs S replied.

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.

Mr and Mrs S said that they wanted to stress that they'd had no proper discussion before the first mortgage application was made. There was only a series of questions on a messaging application. They thought a proper meeting should have been held, to discuss their needs and give quotations for their borrowing.

Mr and Mrs S said PRIMIS had also committed them to a five year fixed interest rate on the second mortgage application, without checking with them. They said rates were now going down, but they were trapped on a higher rate. They said PRIMIS should pay towards the Earl Repayment Charge ("ERC") on this lending, so they could remortgage at a lower rate.

They said PRIMIS hadn't applied for the maximum possible lending, and they felt the real loss to them was £6,500. The compensation offer fell well short of that, so they wanted me to reconsider.

Mr and Mrs S said they had started work on the foundations and subfloors for the new extension with their existing savings. That didn't affect the structure of the house. They said they sought clarification from PRIMIS about recommencing work which would have entailed structural work to the existing building, and on a call on 7 August, PRIMIS confirmed at least twice that it was ok to continue work, suggesting that it would simply be a tick-box exercise from then on.

Mr and Mrs S said they didn't get either of the mortgage offers, until after the money was released. And they didn't get any recommendation letter. They said they only learned what the repayments would be after the money was released.

I have no hesitation in agreeing that Mr and Mrs S didn't receive good service from PRIMIS. And I cannot see that they had the discussions about their lending needs that I would expect, at the outset of this process.

However, I do think Mr and Mrs S were sent mortgage offers before the mortgage money was released. I can see that the offer for the first mortgage was sent to them through PRIMIS' app on 31 July. This lender insists on a nine-day cooling off period after the offer is issued, so Mr and Mrs S could still have decided to change or to refuse this lending. And for the second mortgage, I understand Mrs S was talking directly to the lender about this by the time an offer was issued. I've seen that offer letter, which was dated 16 October, and sent directly to Mr and Mrs S. This offer would tell Mr and Mrs S that they were agreeing to a five year fixed interest rate, and the cover letter included contact details for the lender, if Mr and Mrs S wanted to change anything on that lending. So I do think it's likely that Mr and Mrs S saw both offers, before funds were drawn down.

That means I don't think it's most likely that Mr and Mrs S weren't aware they were agreeing to a five year fixed rate, before the second mortgage was drawn down. I don't think PRIMIS has to pay towards the ERC on that lending now.

My decision does say that PRIMIS didn't apply for the maximum possible lending for Mr and Mrs S. and I took this into account in my provisional award. Mr and Mrs S said it wasn't enough. But I don't agree with Mr and Mrs S that the fair and reasonable redress here for having missed out on £6,500 of possible lending (which would incur interest and be repayable) is for PRIMIS to pay that same amount to them now, as a cash sum. I still think

my proposal provides a fair and reasonable outcome to their complaint overall, including this aspect.

Mr and Mrs S also repeated that they had relied on what PRIMIS said on 7 August, about how long their mortgage application would take, in starting work on the structure of the existing property. But that doesn't fit with the points mentioned in my provisional decision, where I said valuation notes from 11 July suggest both extension and alteration works were already underway, and on 17 July Mrs S said they wanted to start work on the roof that week. That does seem to me to suggest structural alterations were likely to have begun before 7 August, and Mr and Mrs S haven't addressed these points in their response to my provisional decision. So I still think it's more likely that significant work had begun before the call with PRIMIS on 7 August.

For the above reasons, I haven't changed my mind on the fair and reasonable outcome here. I'll now make the decision I originally proposed.

My final decision

My final decision is that First Complete Limited trading as PRIMIS Mortgage Network must pay Mr and Mrs S £950 in compensation. First Complete Limited trading as PRIMIS Mortgage Network can count towards this award, the sum of £300 that it previously offered, if that sum has already been paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 24 June 2025.

Esther Absalom-Gough

Ombudsman