

## **The complaint**

Ms P, who holds power of attorney for her grandmother Mrs P, complains that Pure Retirement Limited mis-sold Mrs P and her late husband Mr P a lifetime mortgage. She also complains about the amount of interest and fees that have been charged, and about difficulties she has had dealing with Pure on Mrs P's behalf more recently.

## **What happened**

Mrs P has a lifetime mortgage with Pure. The mortgage was taken out in 2007 with another lender I'll call M and later transferred to Pure. Mrs P borrowed around £75,000 at a fixed interest rate of 6.35%. By the time of this complaint the balance had reached around £230,000. Ms P says that, when the mortgage is combined with nursing home fees secured over the property by Mrs P's local authority, Mrs P's debts now exceed the value of her property.

Ms P complained to Pure. She said that the mortgage had been mis-sold to Mrs P. She questioned why the mortgage was currently in the sole name of Mrs P when the property was registered to both Mrs P and her late husband Mr P. She said that the interest charged was excessive and should have been frozen when Mrs P had to move out of her property and into full-time nursing care. She said that Pure had added charges for visiting the property to the mortgage balance.

Ms P also complained that she had had difficulties dealing with Pure to manage Mrs P's mortgage. She said that she had sent a copy of the power of attorney and her own ID documents to Pure, but it also wanted to carry out a credit check on Ms P – which she considered was unnecessary and intrusive. Ms P also says that due to her own personal circumstances there are limited times when she is able to contact Pure on Mrs P's behalf, and she wants Pure to assign a single dedicated point of contact she can deal with.

Pure said that it didn't sell or lend the mortgage, so wasn't responsible for the original sale. It said that it wanted to verify Ms P's identity using electronic identification, not access her credit records. It said that it couldn't assign a dedicated member of staff for Ms P to contact because of staffing and resources, but it would always try to make sure it provided appropriate information and support when Ms P did contact it.

Pure said that it had applied fees to send agents out to the property when it hadn't received a response to its annual request for confirmation that Mrs P was still living in the property. It accepted that it had been in contact with Ms P at the time of the fee applied in 2023, and said it would remove that fee, and interest charged on it, from the mortgage balance.

Our investigator didn't think the complaint should be upheld, so Ms P asked for it to be reviewed by an ombudsman.

## **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 can't hold Pure responsible for the sale of the mortgage, or the information Mrs P and the late Mr P were given about it when they took it out. The mortgage was sold by an independent mortgage broker, not by the original lender M, and as such the broker was responsible for explaining it to them and making sure it was suitable for them. I understand Ms P has been in contact with the Financial Services Compensation Scheme as the broker may no longer be trading. As far as its responsibilities were concerned, the lender's mortgage offer included the required illustration of how interest would be charged and how that would affect the balance – including showing that the mortgage balance would reach £225,000 by year 18 and £239,000 by year 19. That was what it was required to do by the mortgage rules in place at the time.

I'm therefore satisfied that the interest charged, and the current balance that results from that interest, is fair and reasonable. The mortgage has operated as the offer said it would, and as Mr and Mrs P accepted at the time. The current balance is in line with the projected balance set out in the offer in 2007. Pure has removed an unnecessary agent's fee from the balance, and I think that's fair. I don't require it to remove or reduce the interest charged.

The mortgage was originally in the names of both Mrs P and the late Mr P. However, when Mr P passed away it became Mrs P's sole mortgage. This is normal and standard – it's called survivorship and is how all joint mortgages work. When one party dies, the mortgage does not form part of their estate; it passes from being a joint mortgage in both names to a sole mortgage in the name of the surviving borrower only. That's what happened in this case.

Ms P says that Mr P remains on the property title – that may well be the case, but it's not something Pure is responsible for, and it doesn't mean that Pure acted wrongly in putting the mortgage into Mrs P's sole name following his passing. Depending on whether Mr and Mrs P owned the property as joint tenants or tenants in common (and, if as tenants in common, how Mr P bequeathed his share), the property may well now be owned by Mrs P solely. But any application to the Land Registry to amend its title records to reflect that would have been for Mrs P and / or the executors of Mr P's estate to make as part of dealing with his estate. It's not something Pure could or should have done on their behalf. The fact that the property remains registered to both Mrs P and Mr P does not affect either the validity of the mortgage or the amount owed.

The mortgage was transferred to Pure in 2020. This is allowed, and the original terms and conditions continue to apply, with Pure acting as the lender from then on. It's not unusual for mortgages to be transferred from one lender to another, and doing so doesn't require the consent of the borrower.

The terms and conditions say that the mortgage must be repaid within 12 months of when the last survivor of Mr and Mrs P dies or moves into long term care. I'm sorry to hear of Mrs P's health conditions, which mean that she has now moved into long term care. This must be a very difficult and stressful time for Ms P – who has her own family difficulties to manage at the same time. But it does mean that the mortgage now has to be repaid, even if that means the property has to be sold.

The mortgage terms also say that interest will continue to be charged after Mrs P moves into care and until the mortgage is repaid. While the mortgage remains outstanding, it wouldn't be fair to expect Pure to no longer charge interest on the balance, in line with the terms and conditions. But, in the circumstances, I would expect Pure to treat Ms P fairly and sympathetically while she works on Mrs P's behalf to bring the mortgage to an end.

I can understand why Ms P was concerned if she thought that Pure wanted to carry out a credit check on her – I agree that would be unnecessary. However, that's not what it wanted to do. Instead, it wanted to verify Ms P's identity using electronic identity checks – which involves checking her name and address and so on but not accessing her credit reference information or history. It's not unreasonable for Pure to want to satisfy itself that the power of attorney is genuine (which involves seeing the original grant and checked it is registered), and that the person it is dealing with is in fact the person named as the attorney (which involves checking Ms P's identity).

I appreciate that, given her circumstances, Ms P finds it difficult to find the time to contact Pure. But I don't think a single named point of contact would actually help her do so – if there are limited times she's available, then there's a risk that if she only deals with one individual staff member, that person might not be available continually at those times (bearing in mind shift patterns, annual leave, sickness, etc). It's more likely that Ms P would be able to speak to someone who can help her when she is able to contact Pure if she's not restricted to only being able to speak to one person.

Finally, I note that during the course of this complaint Pure briefly instructed receivers to take control of the property even though it had said it would not take any action while the complaint remained under consideration. I'm pleased to note that it therefore agreed to revoke the instruction when reminded the complaint was still live. In the circumstances, it wouldn't seem reasonable for Pure to add any costs the receivers may have incurred to the mortgage balance. I don't know whether or not it has done so. But strictly speaking those events fall outside the scope of this complaint, because they happened after it was made – so if it does Ms P would need to bring a fresh complaint about that.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 18 August 2025.

Simon Pugh  
**Ombudsman**