

## **The complaint**

R, a limited company, complains that Aldermore Bank Plc caused delay in a mortgage application, resulting in R having to pay more interest.

## **What happened**

R applied for a mortgage with Aldermore in May 2024. The application was eventually granted and funds released, but not until September 2024. R complains that the delay resulting in it having to pay additional interest, and also that it didn't have use of funds needed to repair one of its properties.

Aldermore said it received an application via a broker on 23 May 2024. The application was automatically declined but Aldermore overrode that and issued a decision in principle. A valuation was instructed.

Aldermore said it then had difficulty dealing with the broker R had instructed. That was because the broker was not regulated by the Financial Conduct Authority (FCA), and so Aldermore would not give it permission to access its broker portal or discuss the application with it. The application proceeded using the broker's partner's FCA authorisation number as a work-around. It re-started the application on 1 August. There was then further delay while the valuation was updated to reflect the new application number. Aldermore offered £300 compensation for the inconvenience caused by the delay, and for delays in responding to R's complaints.

R wasn't happy with that and brought the complaint to us. Our investigator said that Aldermore was partly responsible for the delay, and that the delay had led to R incurring extra interest. But he said that R had also contributed to the issues by continuing to use an unregistered broker. He said that in the circumstances it would be fair for Aldermore to pay half the additional interest incurred of £2,721,69. R accepted that, but Aldermore did not. It asked for an ombudsman to review the complaint.

## **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 done so, I agree with the investigator that it's fair that Aldermore pays half the additional interest incurred by R.

R's usual broker has explained that she was in the process of moving firms, and during that process her old FCA authorisation number was removed – a new one would be issued for the new firm.

At the same time, Aldermore only accepts applications from brokers who are FCA registered, even in respect of unregulated products. Its system automatically cross-references with the FCA register each month and removes access for any broker no longer authorised.

This meant that the broker was able to submit the application in May, but not to progress it in June or July. In its final response, Aldermore accepted that it ought to have understood the issue and re-processed the application using the broker's partner's authorisation, as it had done in other cases. It said that this meant the application had to be re-started on 1 August, and then the valuation had to be updated. Once that happened, the application progressed relatively quickly. It was considered by underwriters on 7 August, an offer was issued on 13 August, and the mortgage completed on 16 September.

I'm therefore satisfied that Aldermore acted promptly from the beginning of August. But – as it accepts – it contributed to the delay between May and the end of July.

### **Putting things right**

At the same time, I don't think it would be fair to hold Aldermore solely responsible. R's broker knew she was in the process of moving firms – and that this would affect her FCA registration. FCA registration is a pre-condition for Aldermore accepting applications. In those circumstances, I think it would have been reasonable for the broker to have warned R that there might be difficulties during this transition period, so it could have made other arrangements if time was of the essence.

Overall, the application took around three months. I think it would always have taken around a month (as it in fact did once it was re-started by Aldermore in August). That means there was delay of two months. I agree with the investigator that it's fair that Aldermore takes part of the responsibility for that, and refunds 50% of the additional interest incurred. This is in addition to the £300 compensation it has already offered – which I think is fair to compensate R for the inconvenience caused in having to chase up the application and also to have to make multiple efforts to have its complaint dealt with.

### **My final decision**

My final decision is that Aldermore Bank Plc should pay R £1,360.85, in addition to the £300 it has already paid. It should add simple annual interest of 8%, running from the date the mortgage completed to the date of refund.

Under the rules of the Financial Ombudsman Service, I'm required to ask R to accept or reject my decision before 15 October 2025.

Simon Pugh  
**Ombudsman**