

The complaint

Miss D and Mr F complain that Lenvi Servicing Limited, the administrator of their help to buy shared equity loan, delayed in issuing a deed of postponement. This meant that the re-mortgage of their first charge mortgage was delayed, resulting in them having to pay additional interest.

What happened

Miss D and Mr F have a help to buy loan – a form of shared equity loan secured by way of a second charge over their property. They also have a standard first charge mortgage. Their mortgage was due to come to the end of its fixed rate on 20 December 2024, so Miss D and Mr F applied to re-mortgage to a new lender to secure a new interest rate.

When changing lender on the first charge mortgage, the new lender's charge would rank behind the help to buy loan charge, which was taken out before the new mortgage – so it's necessary for Lenvi to agree that the help to buy charge can be "postponed"; that is, moved to rank behind the new first charge. This requires the completion of a deed of postponement, which Miss D and Mr F's solicitors would need to send to the Land Registry at the same time as removing the old mortgage first charge and registering the new one. In other words, Miss D and Mr F's re-mortgage can't go ahead without their solicitors having received the deed of postponement from Lenvi.

The following timeline is not in dispute:

18 November 2024	<p>Miss D and Mr F contacted Lenvi to ask for the deed of postponement.</p> <p>On the same day, Lenvi replied setting out that it would need:</p> <ul style="list-style-type: none"> Completed application form and payment of £115 fee Redemption statement for the old mortgage Copies of the offers for the old mortgage and the new one A draft unsigned deed of postponement prepared by Miss D and Mr F's solicitors.
19 November 2024	Miss D and Mr F submitted the application to Lenvi. Lenvi returned the email saying it could not be associated with an account.
21 November 2024	Miss D and Mr F sent the application again. Lenvi confirmed receipt.
27 November 2024	Lenvi received the £115 fee.
28 November 2024	Miss D and Mr F asked Lenvi for an update.

13 December 2024	Miss D and Mr F called Lenvi to chase the progress of their application. Lenvi said that the application form was not acceptable as wet signatures were required. It also said it would need a draft deed. Lenvi emailed Miss D and Mr F's solicitors asking for the draft deed. And Lenvi said the new mortgage offer had also not been included.
13 December 2024	The missing documents were provided. Miss D and Mr F called Lenvi again to chase progress, saying that their old fixed rate was about to expire. The higher interest rate would cause them difficulties.
20 December 2024	The fixed rate on Miss D and Mr F's old mortgage expired, and they reverted to the higher standard variable rate (SVR).
2 January 2025	Lenvi asked Miss D and Mr F's solicitors to obtain an up to date redemption statement for the old mortgage – the previous one was only valid for 30 days and had expired.
8 January 2025	Miss D and Mr F's updated redemption statement was sent to Lenvi.
14 January 2025	Lenvi sent the deed of postponement and other documents to the lender for processing and sealing. It wrote to Miss D and Mr F saying that their application had been accepted.
21 January 2025	Miss D and Mr F chased Lenvi. It replied the following day saying it had no update as it was waiting for the lender.
22 – 24 January 2025	Miss D and Mr F sent several emails asking for processing to be expedited. Lenvi replied on 27 January to say it couldn't locate their account and asking for further details.
23 January 2025	The lender sealed the deed of postponement.
24 January 2025	Miss D and Mr F complained about the delay.
30 January 2025	Lenvi responded to their complaint.
31 January 2025	Lenvi sent a "soft" copy of the deed to Miss D and Mr F's solicitors. It said it was waiting for the sealed copy back from the lender to send on.
6 February 2025	The hard copy of the deed was sent to the solicitors.
20 February 2025	Miss D and Mr F's new mortgage completed.

In its response to Miss D and Mr F's complaint, Lenvi said it recognised there had been delays, for which it apologised. In particular, it had delayed between 27 November, when the application and fee had been received, and 13 December when it told Miss D and Mr F that there were items still missing. It said this process should only have taken five working days, so it had delayed by a week. Once it received all the documents correctly, it noted that the redemption statement had expired, so it asked for another, which it received on 8 January.

Lenvi said that on 14 January it agreed to expedite the process and sent everything to the lender for sealing. It said that if there had been no delay, it would have begun the process no

later than 4 December – five working days after 27 November. Allowing up to eight weeks in line with its published standards, the deed would have been issued by 30 January – in fact, it was issued on 31 January. It therefore didn't agree that it was responsible for any delay in completing the new mortgage or additional interest. But it offered £200 compensation for the distress and inconvenience caused by the initial delay and the communication problems.

Miss D and Mr F weren't happy with that and brought their complaint to us. They said they were unhappy about the delay, about poor communication – including repeated failures to identify their account or link emails to it, and failures to respond – as well as what they said was Lenvi's failure to meet its stated timescale of six to eight weeks for processing a deed of postponement request. They said that in any case that was too long to deal with a simple request, even if Lenvi had kept to that timeline. They said that the impact of the delay was that their new interest rate had been delayed, meaning they'd overpaid by £790 through being on the SVR until it completed. They wanted Lenvi to refund the £790 and increase its offer of compensation.

Our investigator thought that Lenvi had made a fair offer. So Miss D and Mr F asked for their complaint 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 see that Miss D and Mr F were very frustrated by the process they went through. I can understand how important it was to them to complete their new mortgage on time to avoid having to pay higher interest to their old lender.

Miss D and Mr F said that they started the re-mortgage process around three months before the old rate expired. But they didn't first contact Lenvi until 18 November – when there was only one month left. I've looked at the various emails Lenvi sent them from then on, and I think it was always clear that it would take six to eight weeks to obtain a deed of postponement – and that that time would run not from when the application was made, but from when Lenvi had everything it needed and sent the deed application to the lender for processing and sealing. Miss D and Mr F might not have known that until they contacted Lenvi, but nevertheless I can't hold Lenvi responsible for their decision not to contact it sooner.

Therefore, even if Miss D and Mr F had submitted everything that was needed, correctly and in full, on the same day they first contacted Lenvi, it wouldn't have been possible for them to have re-mortgaged before their old rate expired on 20 December. There simply wasn't enough time. I don't know why Miss D and Mr F didn't get in touch with Lenvi any sooner, but the fact is that they didn't.

Had the application been submitted correctly and in full, and the fee paid, on that first day (18 November), then the deed of postponement would likely have been issued somewhere around 20 January (five working days for Lenvi to process the application and send it to the lender, plus up to eight weeks for the lender to process and seal it and return it to Lenvi).

But that was never possible either. Miss D and Mr F didn't submit their application correctly and in full on 18 November. The application was only submitted and ready for checking by Lenvi on 27 November, when the fee was paid.

And even then, the application wasn't correctly completed. I've reviewed what Lenvi said to Miss D and Mr F. In the email it sent them on 18 November, it said:

“To proceed with your request we require the following:

Application form (attached to the email)

Admin fee £115

Redemption Statement

Original Mortgage Offer (from when you took out the loan in 2022)

New Mortgage Offer

Your solicitor will have to send the Unsigned Deed of Postponement

Once we have all these requirements the deed will be sent for sealing to our specialist team and it can take 6-8 weeks to be returned to your solicitor.”

The application form says, in bold text just above the signature boxes on page three:

“Please note that joint borrowers must both sign

You can print and sign the form, or add an image of your handwritten signature (typed names are not accepted)”

This was clear. I think it should have been obvious to Miss D and Mr F that typed signatures would not be acceptable. But the application form they initially sent to Lenvi had typed signatures.

The application fee was not paid until 27 November. At that point, Lenvi had a completed application form and a paid fee. So it should have moved to the next stage – which was checking that everything was ready to send to the lender for sealing.

But everything wasn't ready. The application form had only typed signatures, there was no draft deed, and no copy of the new mortgage offer. Therefore Lenvi was not able to move the application to the next stage.

As I say, Lenvi should have checked this at the time, rather than not doing anything until it had been chased on 13 December. If it had carried out the checks when it was supposed to, within five working days of 27 November, the checks would have been completed by 3 December.

Therefore, Lenvi ought to have told Miss D and Mr F that their application hadn't been submitted properly and would need to be re-done by 3 December, not on 13 December. If it had done so, I think Miss D and Mr F would have rectified it straightaway, as they in fact did on 13 December.

If that had happened, then the earliest Lenvi could have been in receipt of a properly completed and correct application would have been 3 December, and the earliest it could have been sent to the lender for sealing would have been 4 December (possibly later, allowing for a further five working days to check and send the revised application). That means that – taking into account the fact that Miss D and Mr F didn't initially follow the instructions Lenvi gave them when submitting their application, and taking into account the six to eight weeks for the lender to process it – the deed of postponement would have been issued around 29 January.

But Lenvi didn't carry out those checks within five working days of 27 November. It didn't do anything until chased by Miss D and Mr F, on 13 December. And it didn't take action after that until requesting the updated redemption statement on 2 January.

This delay caused Miss D and Mr F significant worry and upset. They had to chase Lenvi to find out what was happening, and Lenvi's communication with them was poor.

Lenvi recognised this, and it agreed to expedite the deed of postponement application. Having done so, it was issued to Miss D and Mr F's solicitors on 31 January.

This was only two days after it would have been issued had Lenvi not caused delay. I therefore don't think it would be fair to require Lenvi to refund any additional interest resulting from the time Miss D and Mr F spent on the SVR between the end of their old fixed rate and the start of their new one. Most of the time was caused not by Lenvi's failings, but because Miss D and Mr F didn't complete their application until they paid the fee on 27 November – and even then it couldn't be progressed because they hadn't done it correctly.

Lenvi did cause delay, there's no doubt about that. I've set that out above. But it put that right by expediting the application once it was ready to proceed, and once it realised that it was partly responsible for the delays.

As a result of Lenvi expediting it, the application was completed only two days later than it would otherwise have been had Lenvi's delays not happened. This is not a significant period of time, and within the normal variation I'd expect in any administrative process involving multiple parties (here – Miss D and Mr F, Lenvi, the lender, their solicitors, plus their old and new mortgage lenders).

Putting things right

I'm not therefore persuaded that Lenvi caused Miss D and Mr F any financial loss. Its delay did risk causing them loss, but it prevented that by expediting the application to make up the missed time.

However, even though Lenvi did take those steps to put things right, its failings along the way caused Miss D and Mr F distress and inconvenience. Time was of the essence for them, and they were worried about the consequences of spending time on the SVR between fixed rates. They spent a lot of time and effort chasing up Lenvi, and its communications were sometimes poor and unhelpful. In recognition of that it's offered £200 compensation, which I think is fair. It reflects the fact that this was an upsetting and stressful time, but also that it took place over a few weeks rather than a more prolonged period.

My final decision

My final decision is that Lenvi Servicing Limited should pay Miss D and Mr F £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D and Mr F to accept or reject my decision before 20 October 2025.

Simon Pugh
Ombudsman