

The complaint

Mr and Mrs H complain that Responsible Life Limited mis-sold them a lifetime mortgage.

What happened

In 2024 Mr and Mrs H took advice from Responsible Life about taking out a lifetime mortgage. Responsible Life recommended a mortgage with a lender I'll call J, and the mortgage completed shortly afterwards.

Mr and Mrs H now complain about that advice. They say that they gave Responsible Life full information about their circumstances. It presented them with a list of available mortgages – all were at higher interest rates, and for lower borrowing amounts, than they'd hoped for, but they felt they had to go ahead because they were under pressure from their previous mortgage lender to repay their interest only mortgage. They say that Responsible Life told them that if they spoke to any other adviser they'd be given the same options.

Mr and Mrs H say that the adviser charged them an advice fee of £1,690. But when they received the mortgage documents, they were surprised to see Responsible Life would also receive commission of £5,402 – they say it was therefore paid, in total, around 5% of the amount they borrowed. They say that this is high and meant Responsible Life took advantage of their circumstances. They question whether this amounts to financial abuse.

Mr and Mrs H say that since taking out the mortgage, they've learned that enhanced lifetime mortgages are also available, and they say that should have been recommended to them instead. They've pointed to an alternative mortgage with a lender I'll M. They question why they weren't advised about enhanced mortgages, or any alternatives.

Responsible Life said it recommended the most suitable mortgage for Mr and Mrs H based on their circumstances. It said it charged them an advice fee to cover the costs of providing its services. Commission from lenders is standard, was fully disclosed to them, and was payable by the lender not by Mr and Mrs H. It said that, based on their circumstances, Mr and Mrs H were not eligible for an enhanced mortgage.

Our investigator didn't recommend that the complaint be upheld, so Mr and Mrs H 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.

When Mr and Mrs H took advice in 2024, their priority was to raise funds to repay their existing interest only mortgage, which had gone beyond the end of its term – it was also in arrears and the lender was threatening repossession.

In order to raise the funds they needed, Mr and Mrs H needed to borrow a relatively high loan to value of around 39%. They were also concerned to keep the interest rate as low as

possible.

The evidence shows that Responsible Life looked at lenders across the market, considering both enhanced and standard mortgages. The mortgage recommended with J was the best available which allowed Mr and Mrs H to borrow the amount they needed (albeit less than they had initially wanted) at the best interest rate.

The mortgage with J was not an enhanced mortgage. Enhanced mortgages are those aimed at borrowers with significant health issues. In general, customers with certain health concerns may have lower life expectancy – which means lenders may be able to offer higher loan to value borrowing. They may also include lower interest rates.

Different lenders have different criteria, however. This includes qualification for enhanced mortgages, as well as the amount they will lend both on enhanced and standard loans. They also offer different interest rates.

There were enhanced mortgages included in the search Responsible Life carried out. However, the mortgage with M Mr and Mrs H have referred to would not have allowed them to borrow the funds they needed based on loan to value. J does offer enhanced mortgages, but Mr and Mrs H didn't meet J's criteria. Mrs H was in good health. Mr H had suffered from cancer in the past, but it had been successfully treated with surgery – J only offers enhanced mortgages to customers who have had recent chemotherapy or radiotherapy.

Overall, I'm satisfied that Responsible Life recommended the best available mortgage for Mr and Mrs H. While it wasn't an enhanced mortgage, they didn't qualify for an enhanced mortgage with J. And given their need to raise funds at a high loan to value, and the importance they placed on keeping the interest rate as low as possible, the standard mortgage with J was the best of those available to meet those needs.

As regards the commission and advice fee, I don't think that means Responsible Life treated Mr and Mrs H unfairly. The rules of mortgage regulation don't say that advisers can't receive commission from lenders – whether or not an advice fee is also charged – but they do say that any commission must be fully declared. The commission J paid to Responsible Life was declared to Mr and Mrs H. The purpose of declaring it is so that, in the interests of transparency, a customer can take into account the commission the adviser will receive in deciding whether to accept their recommendation. Based on what Mr and Mrs H have said, knowing the amount of any commission in advance was important to them. Responsible Life declared it in the illustration, as required by the rules, so Mr and Mrs H were able to take it into account when deciding whether to proceed.

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 H and Mr H to accept or reject my decision before 14 October 2025.

Simon Pugh
Ombudsman