

The complaint

This complaint is about an application that Miss H and Mr S made to Lenvi Servicing Limited for a substitution of security in connection with a Help To Buy mortgage they hold. The purpose of the substitution was to facilitate the purchase of the freehold of their mortgaged property. Miss H and Mr S say the application was unduly delayed. Lenvi initially offered compensation of £250 but Miss H and Mr S didn't think it was enough, and referred the complaint to our service. It's a joint mortgage and both borrowers have joined the complaint. All of our dealings have been with Mr S, on behalf of himself and Miss H.

What happened

The details of this complaint are well known to both parties so I won't repeat them again here. Also, it's not a complaint where I have to decide fault; Lenvi has accepted that already. What I have to decide is how Miss H and Mr S should fairly be compensated.

So, I'll provide a brief summary and then focus on giving the reasons for my decision. Although I've read and considered the whole file I'll keep my comments to what I think is relevant. If I don't comment on any specific point it's not because I've failed to consider it but because I don't think I need to comment on it in order to reach what I think is the right outcome in the wider context.

My remit is to take an overview and decide what's fair "in the round". We have no regulatory function; that's the role of the Financial Conduct Authority; nor are we a consumer protection body. We're an alternative dispute resolution body; an informal alternative to the courts for financial businesses and their customer to resolve their differences.

As I mentioned earlier, Lenvi had already offered compensation of £250. Our investigator considered that was too low, given how the saga had gone on for over a year, and the inevitable stress and inconvenience Miss H and Mr S had experienced as a result. He considered this should be increased by £500, to a total of £750. He also recommended Lenvi reimburse Miss H and Mr S the £150 cost of an additional year's ground rent charged by the freeholder. Finally, subject to the solicitor confirming the relevant amount, he recommended Lenvi reimburse the additional legal costs caused by the delay.

Lenvi agreed to pay the compensation and ground rent, but asked for fully itemised evidence of the solicitor's charges on letter-headed paper before committing to that part of the recommended settlement. Initially, Miss H and Mr S accepted the settlement in its entirety. But they changed their mind after their solicitor confirmed there had been no additional charges for dealing with Lenvi's delays.

What I've decided – and why

We're impartial, and we don't take either side's instructions on how we investigate a complaint. We conduct our investigations and reach our conclusions without interference from anyone else. That means I don't have to address every individual question or issue that's been raised if I don't think it changes the outcome.

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've come to the following conclusions.

Where there's been fault, as there has been here, the starting point is to remedy any financial detriment there might have been. In this case, the financial detriment is the ground rent of £150, so there's no question that should be made good. At first, it looked like an additional award would be needed to make good the extra legal costs Miss H and Mr S were thought to have incurred. But once their solicitors confirmed there were no additional costs, it was quite right that an award in that regard should fall away. That leaves compensation for non-financial loss.

Assessing fair compensation for people's time, trouble and upset is not an exact science; everyone perceives things, and reacts to them, differently. One person's minor annoyance is to another significant and stress-inducing inconvenience. It's all about the individual, and their personal circumstances. That's why the guide we publish on the subject incorporates ranges rather than tariffs. Taking everything into consideration, I find the investigator's assessment of £750 in total to be fairer overall, and more proportionate to the events as happened, than the £3,000 Mr S has indicated he and Miss H are seeking.

My final decision

My final decision is that I uphold this complaint in part only. In full and final settlement, I direct Lenvi Servicing Limited to pay Miss H and Mr S a total of £900, made up of £150 reimbursement of ground rent and £750 compensation.

My final decision concludes this service's consideration of this complaint, which means I'll not be engaging in any further consideration or discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H and Mr S to accept or reject my decision before 3 December 2025.

Jeff Parrington
Ombudsman