

The complaint

This complaint is about a help-to-buy (HTB) mortgage Ms R holds and which is administered by Lenvi Servicing Limited, hereafter referred to as LSL.

The essence of the complaint is that Ms R isn't happy with how LSL handled a request she made to remove her former partner from the mortgage when their relationship ended. Ms R was, at the same time, trying to arrange a new main mortgage in her sole name, and with a different lender. She says the delays caused by LSL interfered with that process, leaving her with higher costs.

What happened

By way of a provisional decision dated 18 June 2025, I set out my provisional conclusions on this complaint. The following is a summary of the background from the provisional decision.

"The above summary is in my own words. The basic background to this complaint is well known to both parties so I won't repeat all the details here. Instead I'll provide a brief description of the complaint, rounding the figures, and then focus on giving the reasons for my decision. If I don't mention something, it won't be because I've ignored it. It'll be because I didn't think it was material to the outcome of the complaint.

Ms R bought a property in 2020, jointly with her former partner, whom I'll refer to as Mr D; Mr D isn't a party to the complaint. The purchase was funded by a first mortgage with a lender I'll call N, and the HTB mortgage, which was initially administered by a firm I'll call T. For the first five years the HTB mortgage doesn't attract interest or monthly payments in the traditional sense, but a monthly administration fee of £1 is payable each month by direct debit.

Sadly, Ms R's relationship with Mr D ended, and in February 2023, she started the process of taking sole ownership of the property and sole liability for the mortgages. This was to be done by two transactions;

- a re-mortgage of the joint first mortgage from N to a new sole mortgage with a lender I'll call H; and*
- a transfer of equity to vest the HTB mortgage in Ms R's sole name.*

The transfer of equity application was underway when, in July 2023, administration of the HTB mortgage was moved from T to LSL. This required everything to start again with new paperwork. Ms R had a phone conversation with LSL in October 2023, and a longer, more detailed one, in February 2024, in which Ms R complained about the lack of progress.

In March 2024, LSL told Ms R that she was in arrears on her monthly administration fees, and these needed paying for the application to proceed. Ms R brought the fees up to date but didn't set up a direct debit to collect subsequent payments. Then, in

May 2024, Ms R had a conversation with LSL during which she was told the application papers she'd submitted in February weren't correctly set up.

Fresh application papers were submitted in June 2024, and in July LSL asked Ms R for a breakdown of the additional borrowing on the new mortgage with H, and again to bring new admin fee arrears up to date. The fees were paid, but a problem arose with the additional funds Ms R was proposing to borrow from H in the re-mortgage.

LSL's policy only allows a maximum of £2,000 additional borrowing on a first mortgage, and Ms R was intending to increase her borrowing by more than that. By this time, Ms R had referred her complaint to us. LSL had given Ms R referral rights to contact us, having not issued a final response within eight weeks. Whilst the case has been with us, the re-mortgage and transfer of equity have yet to go through, Ms R has received (and submitted to LSL) a succession of mortgage offers from H that have then expired, the mortgaged property has been down-valued by £20,000 and the existing mortgage with N has reverted to N's standard variable interest rate.

Our investigator didn't think LSL had always communicated as quickly and as clearly with Ms R as it might have done. But overall, he wasn't persuaded it was the primary cause of the delays. He thought that was more to do with problems with the application papers, the fee arrears that kept arising, and the issue over Ms R's additional borrowing requirements not meeting LSL's policy requirements. Ms R has asked for the complaint to be reviewed by an ombudsman."

I then went on to set out my provisional findings which I'll repeat here.

"I'll start with some general observations. We're not the regulator of financial businesses, and we don't "police" their internal processes or how they operate generally. That's the job of the Financial Conduct Authority (FCA). We deal with individual disputes between businesses and their customers. In doing that, we work within the rules of the ombudsman service and the remit those rules give us. We don't replicate the work of the courts.

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.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. That includes listening to phone calls between LSL and Ms R (or her solicitor) between October 2023 and July 2024, when the complaint was referred to us.

Mortgage processing isn't an exact science; nor is it a mechanical process. Lenders generally have anticipated timescales for how long a transaction such as a transfer of equity might take, but occasionally things take longer than expected. If I'm to find in Ms R's favour here, I have to be satisfied that LSL unduly and excessively delayed the re-mortgage by way of specific errors or omissions, and that delays on LSL's part were the sole or over-riding cause of loss, financial or non-financial, to Ms R, and that no other external factors caused or contributed to those delays.

Looking at the overall progression of the re-mortgage, I'm minded to conclude that this is such a case. On first glance, it might seem that LSL delayed things to a degree, not least by not alerting Ms R (or her solicitors) as quickly as it might have to errors or omissions in the paperwork it had received. Meanwhile, there were some delays outside LSL's control.

Firstly, there was the recurring issue of the unpaid administration fees. They may have been for a nominal amount each month, but they were due, and LSL was reasonably entitled to require them to be paid up to date in order for a transfer of equity to proceed. The reason the fees were a recurring issue is that each time Ms R made a payment to bring them up to date, she didn't then put a direct debit in place to make future payments.

The bigger stumbling block has proved to be over additional borrowing. Ms R's solicitors had confirmed Ms R was intending to pay some money to Mr D but it seems some was also intended to go to paying an ERC due in redeeming the mortgage with N (although that has since fallen away now that the existing mortgage reverted to its standard variable rate). Overall, Ms R's planned additional borrowing exceeded LSL's limit of £2,000, which is intended to cover solicitors' fees only. There's a dispute over when Ms R was, or should have been, told about the upper limit and what additional borrowing could be used for. I can confirm that the original application form she was sent at the beginning of the process in 2023 included, under section 7, the following narrative.

"If you intend to remortgage and borrow more, you will need to meet our criteria. More information is available in the guide – How to repay and borrow more"

There then followed a link to click on to go to the relevant material. The only conclusion I can draw from this is that the relevant information was available to Ms R from the outset. I've listened to recordings of her conversations with LSL during July 2024 when this was the main agenda item under discussion. It's apparent that this restriction came as a shock to Ms R, but I don't think it should have come as a complete surprise.

But that's not the end of the matter. I've said that the issue over the £2,000 should not have come as a complete surprise to Ms R. By the same token, however, it should not have taken LSL until July 2024 to realise that there was a problem with the amount of funds Ms R was seeking to raise. The notes we've received from LSL record that the supporting information for the initial application was transferred from T to its system on 3 August 2023. That information included a copy of the first new mortgage offer Ms R had received from her intended new lender.

If LSL had a copy of Ms R's new offer on 3 August 2023, then LSL knew how much new borrowing she was proposing to raise, and that the sum in question was more than £2,000. That being so, LSL should have queried the position immediately, and not waited until July 2024 before doing so.

This would not have changed the overall outcome; Ms R would still not have been able to proceed with the transactions as proposed, but she would have been aware of the true position almost a year sooner than she was. Instead, Ms R was put to a huge amount of delay, frustration and stress that could have been avoided. For that, Ms R is deserving of compensation. The sum I have in mind is £500.

I've no doubt that this has been an intensely frustrating time for Ms R, and in all likelihood still is. As I understand it, the transaction still isn't concluded. Unfortunately, my remit is confined to looking at what happened up to the point Ms R referred her complaint to us, which was in July 2024. If she wants to complain about what has happened since then, Ms R would need to do so to LSL first, and then come to us

after receiving a final response, or if eight weeks pass without one, as happened with this case.”

The parties were given two weeks to comment on the provisional decision; both have done so. LSL accepted it had contributed to delays, but said that it considered £250 a fairer level of compensation than £500. Ms R was also unhappy with the provisional decision; she didn't think the £500 was enough, and that I hadn't taken account of her dealings with T, before LSL took over. As a resolution, Ms R is seeking a higher level of compensation and a full or partial waiver of the debt owed under the HTB loan.

Ms R also asked for copies of recordings of the phone calls between her and LSL that we'd received during our investigation. Getting those to her presented some technical difficulties, but I'm satisfied Ms R has now received the recordings and as had sufficient time to access them. Overall fairness requires that I draw this matter to a close rather than have it drift on indefinitely.

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 looked afresh at everything the parties have said and provided, I'm not minded to depart from my provisional conclusions. I'll explain why, starting with LSL's comments. I was already mindful that some delays occurred that weren't in LSL's control; I said as much in the provisional decision. My assessment of compensation at £500, rather than anything lower or higher reflected that.

In some respects, I have the same response to Ms R's view that compensation should be higher than £500. This transaction clearly went on far longer than it should, and to be clear, I looked at the entire process from when Ms R first contacted T. However, this complaint is against LSL. I can't consider the actions of T within this decision, as it is a separate business.

My provisional decision identifies a key failing on LSL's part that contributed significantly to the time that elapsed. But at the same time, there were omissions on Ms R's part, similarly detailed in the provisional decision, that prevent me from holding LSL wholly to blame for what happened.

I will make one final observation. There's more (and sometimes less) to complaint resolution than simply deciding who's right or who's wrong. It's not just about winning the arguments or indeed pursuing every argument to its ultimate legal conclusion. Sometimes it's about compromising to reach a *fair* conclusion which both parties can accept in a spirit of conciliation. In my view, that's what I've done here.

My final decision

My final decision is that I uphold this complaint in part, by ordering Lenvi Servicing Limited to pay Ms R £500 compensation. I make no other order or award.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 27 August 2025.

Jeff Parrington

Ombudsman