DRN-5750075

The complaint

This complaint is from a limited company I'll refer to as L, and relates to two buy-to-let (BTL) re-mortgages with Shawbrook Bank Limited (SBL). The complaint is brought by the company's director, Miss G, who seeks reimbursement of almost £8,000 of extra interest paid to the previous lender due to the delay, plus compensation of £5,000 for each application.

What happened

Miss G believes the re-mortgages could have completed by 7 May 2024; she also believes that to avoid achieving this, SBL:

- requested information that had already been provided;
- muddled information relating to these applications with other unrelated cases;
- claimed the surveyor wasn't suitably-qualified;
- did not escalate things in a timely fashion;
- did not communicate effectively with her broker;
- requested new information late in the process; and
- refused to interview Miss G in a timely manner.

What I've decided – and why

The details of this complaint are well known to both parties so I won't repeat them again here. Instead I'll 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.

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.

It's for us, rather than the parties to the dispute, to decide what evidence we need to reach a fair outcome. It's also for us to assess the reliability of evidence, from both sides, and decide how much weight should be attached to it. When doing that, we consider everything together to form a Loader opinion on the whole picture. We don't just consider individual pieces of evidence in isolation, but we may attach greater weight to, and place greater reliance on, some pieces than we do to others.

Staying with the evidence for a moment, both parties in this dispute have submitted evidence in confidence, requesting that it not be revealed to the "other side". In SBL's case, that includes a recording of a phone call between it and L's broker on 8 May 2024.

By the same token, Miss G has asked for access to evidence that SBL has submitted in confidence. Our rules permit us to accept evidence in confidence; it is then for our judgement to decide whether that evidence should remain confidential or of it should be shared. In making that judgement, one of the things we take into account is whether and to what extent the evidence in question is material to the eventual conclusion(s) we reach.

In the case at hand, I haven't relied on the confidential evidence to such an extent that I consider it needs to be shared. To put it another way, nothing turns on the evidence either party has submitted in confidence.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The first point to mention is that L's applications weren't made directly to SBL; they were made through a third party intermediary firm I'll refer to here as F. In order that there should be no ambiguity, this complaint is not about F, and indeed if it were, we would not be able to consider it.

We've already explained to Miss G that we can't consider a complaint against F because arranging and giving advice on unregulated commercial loans is not an activity that falls within the jurisdiction of the Financial Ombudsman Service. I mention this for context, because when I'm assessing how SBL handled the applications, I will have to factor in the involvement of F and take account of those periods where SBL was waiting for F to provide information.

Mortgage underwriting isn't an exact science; nor is it a mechanical process. Lenders generally have anticipated timescales for how long an application might take, but occasionally things take longer than expected. If I'm to SBL to pay L the compensation Miss G is seeking, I have to be satisfied of two things. Firstly:

- that SBL unduly and excessively delayed the applications by way of specific errors or omissions; and
- that the delay was the sole or over-riding cause of identifiable loss, whether financial or non-financial, to L, that warrants redress be paid.

Looking at the overall progression of the applications, and the evidence from both sides, I'm not persuaded either is the case here.

The applications began in January 2024; the evidence shows that SBL tried during January and February 2024 to arrange the valuations, but Miss G apparently didn't want them carried out until 22 March 2024. The valuations were received by SBL's underwriter on 9 April 2024, so realistically that was when the underwriting process could begin in earnest.

A risk referral was made on 11 April 2024, due to what is known as a concentration risk where properties are adjacent to each other. I'm aware Miss G is unhappy about this, and that SBL took account of properties connected to a family member. Generally speaking, it's not for me to second guess SBL's commercial judgement on underwriting matters, but I do note that the family member in question was a director of L until resigning on 13 April 2024; i.e. whilst the applications were being underwritten. The outcome of the risk assessment, informed in part on an opinion from the surveyor, was that SBL decided that lending should

be limited to 57% loan-to-value (LTV). All things considered, I'm not persuaded SBL did anything wrong there.

That hurdle having been cleared, SBL contacted F on 23 April 2024 to inform it that due to the above, it would need to interview Miss G. It also listed outstanding information that was needed, which included proof of residency. This message was repeated on 25 April 2024 and resulted in phone calls between the underwriter and Miss G on 29 April 2024. Having listened to those calls, I haven't found anything amiss in what SBL's underwriter told Miss G. I certainly don't interpret anything the underwriter said as implying a lack of confidence in the ability of the surveyor. Miss G may have found what was said unwelcome and disagreed with the position the underwriter was taking, and that's her prerogative. But just because something is unwelcome doesn't make it unfair.

Miss G and the underwriter spoke again on 7 May 2024; this is the date on which Miss G says the mortgages had been due to complete. The underwriter observed that SBL hadn't previously been made aware of this. I'm not sure that's accurate; Miss G mentioned it during one of the conversations on 29 April 2024. That said, I don't think it makes a material difference to the eventual outcome.

It also became apparent during the call that F had been in direct contact with the risk department rather than the underwriter. In a situation where the applicant was contacting the underwriter directly (when her broker should have been doing that) and the broker was talking directly to the risk department (when it should have been talking to the underwriter) I'm not entirely surprised if messages became mixed, but I can't attribute that to any failing on SBL's part.

The 7 May 2024 call did produce further points for consideration, including a possible change from interest-only to capital repayment, and potentially only proceeding with one of the proposed re-mortgages. There was an exchange of emails between SBL and F before a further phone conversation between Miss G and SBL's senior underwriter on 17 May 2024. This call wasn't recorded, but there are contemporaneous notes of it.

It was agreed that this call would effectively act as the mortgage interview; and the participants agreed to aim for completion on 7 June 2024. The participants agreed to aim for completion on 7 June 2024. There then followed an exchange of emails during which Miss G submitted new cost breakdowns and confirmation that the family member had resigned as director of L. SBL issued both mortgage offers on 28 May 2024, and completion took place on 7 June 2024. That's roughly eight weeks from when SBL received the valuations and began its underwriting process; overall in my view, not an excessively long time.

Putting all of the above together, and taking into account what good industry practice requires in unregulated commercial lending transactions, overall I don't find that SBL's handling of L's re-mortgage applications were flawed or unduly delayed. Rather, it seems to me that Miss G's dissatisfaction is more to do with SBL's exercise of commercial judgement.

I said at the outset that I wouldn't be commenting on every single point, and I haven't. I have, as I said I would, confined myself to those matters that I consider have a material effect on the outcome. I can see how strongly Miss G feels. That's a natural, subjective reaction, and entirely understandable in the circumstances. Be that as it may, I have to take a different approach. I'm impartial and I have to look at things objectively.

That's what I've done here and my conclusions is that SBL has not treated L unfairly.

My final decision

My final decision is that I don't uphold this complaint.

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 L to accept or reject my decision before 10 December 2025.
Jeff Parrington
Ombudsman