

## **The complaint**

Mr and Mrs C complain that Connells Limited made errors with their porting application. The error came to light shortly before their purchase was due to complete. They ask that Connells refunds its fee and pays compensation of £1,000 for the worry and stress.

## **What happened**

Mr and Mrs C wanted to move home. They wanted to port their existing mortgage (about £180,000) and take out additional borrowing (about £30,000). They asked Connells for mortgage advice.

Mr and Mrs C received a mortgage offer for £30,000. They hadn't ported a mortgage before and assumed this was how it worked. Shortly before the agreed completion date their solicitor contacted them saying they were about £180,000 short of the funds needed.

Connells was able to expedite the mortgage application so that the purchase could complete. However, Mr and Mrs C say they have a worse combination of products than if the application had been made correctly at the outset (the interest rate for the additional borrowing is higher and the product expiry dates are not aligned). And this caused great personal distress for the family.

Connells offered to refund some of the lifetime membership fee (£349) and offered £300 compensation for the upset caused. Mr and Mrs C say this isn't enough.

Our investigator said this was fair compensation for the impact on Mr and Mrs C, given that Connells was able to source a mortgage and completion wasn't delayed. Our investigator said Connells should also compensate Mr and Mrs C for their additional interest costs.

Connells agreed. Mr and Mrs C didn't agree. They said while the mortgage offer was sorted out within a short period their distress during that period was severe. Mr C said he had to take sick leave in early 2025 as a result of the stress. Mr and Mrs C say the mis-aligned product expiry dates mean they are in a mortgage trap.

I sent a provisional decision to the parties. While I agreed with the outcome suggested by our investigator, I wanted to explain my reasons in more detail and set out how the compensation should be calculated.

Mr and Mrs C said they had no further comments. Connells didn't respond.

## **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.

There's no dispute that Connells made an error with Mr and Mrs C's porting application. Mr and Mrs C told Connells they wanted to port their mortgage with additional borrowing. Connells entered the wrong borrowing amount in the application. And it didn't notice the amount in the mortgage offer issued in October 2024 was incorrect.

The error came to light on 10 December 2024. Connells contacted the lender and it issued a mortgage offer on 10 December 2024. This ported Mr and Mrs C's existing mortgage product, which expires on 30 June 2026. The product for the additional borrowing has a rate of 4.87% until 31 March 2027. There was no product fee.

The mortgage offer issued in October 2024 (for £30,000) had a 4.63% interest rate product fixed until 31 December 2026. There was no product fee. It had a maximum loan to value of 75%. The property purchase price was £285,000. Mr and Mrs C borrowed about £211,000, which was less than 75% of the property value. So it's likely they'd have been able to secure this product for the additional borrowing if Connells hadn't made an error.

#### *Compensation for additional interest costs*

I think Mr and Mrs C would have secured the 4.63% product if Connells hadn't made an error. Connells should compensate them for the additional interest they will pay as a result of missing out on the lower interest rate product. This should be for the period that the original product would have been in place – that is, from the date of completion to 31 December 2026.

I can't fairly require Connells to pay compensation for the difference in interest rates between 1 January 2027 and 31 March 2027. The 4.63% interest rate product would have expired on 31 December 2026. I don't know if Mr and Mrs C will be better or worse off for having a product which expires later. That depends on future interest rates, which I can't predict.

#### *The mis-aligned expiry dates*

Mr C says they wanted the new product to expire at the same time as the product they were porting. He says they'll be unable to re-mortgage without paying an early repayment charge (ERC).

While lenders offer products with different expiry dates, these tend to be over periods such as two, three or five years. It's not always possible to choose a product for additional borrowing with an expiry date that aligns with an existing product.

The product Mr and Mrs C ported has an expiry date of 30 June 2026.

The product Mr and Mrs C applied for in September 2024 had an expiry date of 31 December 2026 – six months later than the ported product.

The product Mr and Mrs C took out for the additional borrowing has an expiry date of 31 March 2027 – nine months later than the ported product.

I don't think the fact that there's a gap between Mr and Mrs C's two mortgage products expiring is due to an error by Connells. It's because the mortgage products were taken out at different times. But the gap is longer due to Connells' error.

If Mr and Mrs C re-mortgage after their ported product expires in mid-June 2026 and before the new product expires, they will pay an ERC for the additional borrowing. This is 1% of the £30,000 loan (£300). This is the same for both the 4.87% product and the 4.63% product.

Assuming interest rates remain the same, Mr and Mrs C's monthly payments would increase by about £575 if their mortgage goes onto the standard variable rate when their ported product expires. It seems unlikely Mr and Mrs C would wait six months to remortgage, given the higher cost of the monthly payments as compared to paying the ERC on the additional

borrowing.

Because of this, I don't think Mr and Mrs C will be in a substantially different position if they want to re-mortgage, due to taking out the product with a later expiry date.

#### *The upset and worry caused by the error*

Mr and Mrs C say they won't take advice from Connells again. That's understandable. But they did take advice when they took out their mortgage and when they ported it in 2024. So they've had some benefit from the fee. I think it was fair for Connells to offer to refund part of the fee. I think a refund of £349 is fair and reasonable in the circumstances.

The problem with the mortgage offer was raised by Mr and Mrs C's solicitor on 10 December 2024. The new mortgage offer was issued by late afternoon the same day. Mr C says they'd exchanged contracts a few days earlier, with a completion date of 13 December 2024.

In terms of considering what compensation is fair and reasonable, I don't think it matters that the problem was discovered by the solicitor. What I need to consider is how it affected Mr and Mrs C.

Mr C says the fact that the problem was resolved – the new mortgage offer was issued – within a few hours is irrelevant. I can't fairly agree with that. I think Mr and Mrs C would have been caused more worry and distress if the problem hadn't been resolved the same day. That said, it must have been an extremely worrying time for Mr and Mrs C. They were worried about not being able to go ahead with the sale and purchase. They were legally bound to complete their purchase and unexpectedly found themselves unsure that they'd have the funds to do so.

Mr C said we didn't consider the health impact this had. He provided a record of his sick leave. This shows Mr C took six days of sick leave in February 2025 – two in early February and four in late February 2025 – and two further days later in 2025. He says this is out of line with previous years, and is due to a chronic health condition induced by severe short term stress.

I thought carefully about this. Mr C says his health condition was induced by stress. There's no doubt that discovering the problem with the mortgage offer three days before completion would have been stressful. However, this happened in mid-December 2024 and the first of these sick days were in February 2025, some eight to 10 weeks later. I need to take into account that buying and selling your house and moving home is itself stressful. I can only fairly require Connells to pay compensation for the additional worry and stress caused by its error.

Taking into account the significant worry Connell's error would have caused, but also that this was resolved the same day and completion went ahead as planned, I think £300 compensation (in addition to the partial fee refund) is fair and reasonable.

#### **Putting things right**

Connells should pay the partial fee refund and £300 compensation to Mr and Mrs C, if it hasn't already done so. It should also:

1. Calculate the amount of interest Mr and Mrs C will pay on the additional borrowing at the 4.87% rate between the date of completion and 31 December 2026;
2. Calculate the amount of interest Mr and Mrs C would have paid on the additional borrowing at the 4.63% rate between the date of completion and 31 December 2026;

3. Deduct the result of 2 from the result of 1, and pay the resulting amount to Mr and Mrs C.

By the time this payment is calculated and paid, we will be part way through the product term. So while Mr and Mrs C will receive the payment before making all of the payments at the higher interest rate, I don't think it's fair for Connells to discount the compensation for this. For the same reason, I don't think it's fair to require it to add interest.

### **My final decision**

My decision is that I uphold this complaint and order Connells Limited to do the calculations and make the payments set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr C to accept or reject my decision before 15 October 2025.

Ruth Stevenson  
**Ombudsman**