

The complaint

Mr and Mrs C complain about how more 2 life Ltd handled an application they made for a lifetime mortgage.

What happened

Via a broker, Mr and Mrs C applied for a lifetime mortgage with more 2 life to fund improvements to their property. The application was first made in May 2022. more 2 life appointed a surveyor to value the property, and the valuation was carried out in early June.

more 2 life then asked for more information about Mr and Mrs C's intended home improvements. It asked what works they were planning, whether planning permission or building control approval was needed, copies of plans and schedules of works.

more 2 life issued a mortgage offer on 13 June 2022. The offer was valid for 42 days – until 25 July 2022. more 2 life says that this offer was issued in error – it should not have been issued until its questions about the scope of the work Mr and Mrs C were planning had been answered.

Mr and Mrs C said that they were in the process of obtaining plans and permissions, and getting a quote from a builder. The plans were sent to more 2 life in October 2022. more 2 life sent them on to the valuer. The valuer asked for further information – in particular, because the plans were copies, the valuer said that they were no longer to scale and so dimensions and measurements needed to be marked onto the plans. Further copies of the plans were sent to more 2 life, but the valuer asked for more clarification. Revised plans were returned to the valuer at the end of November.

On 5 December the valuer approved the plans. However, the initial valuation, carried out on 7 June 2022, expired on 7 December. more 2 life said a new valuation would be required, and it offered to waive the valuation fee.

A new valuation was carried out on 16 December. Mr and Mrs C's builder had already started work – this meant the valuer said the property was currently uninhabitable and not suitable for lending. more 2 life said that there could be a re-inspection once work had progressed, but in the meantime it couldn't lend.

Mr and Mrs C said they had no choice but to agree to their builder starting work, or they would have lost the builder and struggled to find another. They were running out of funds. So they were left with no choice but to apply for more expensive bridging finance instead.

Mr and Mrs C complained. They said that more 2 life had caused delay. That put them in a difficult position. They ended up having to take bridging finance – as well as the approximately £8,300 interest they would pay on the bridging loan, increases in interest rates in the meantime meant that any new lifetime mortgage they would take following the bridging loan would be at much higher interest rates than more 2 life had offered them in 2022.

more 2 life said that it couldn't lend until its valuer was satisfied with Mr and Mrs C's plans, and the plans weren't available until late November 2022, which meant the initial valuation then expired and had to be re-done. But because Mr and Mrs C had by then started work, their property wasn't suitable security at the time of the second valuation – it had offered to reconsider things once work had progressed, but that didn't work for Mr and Mrs C. Overall, more 2 life didn't think it had handled the application unfairly. But it accepted that it shouldn't have issued the offer in June 2022 and that had got Mr and Mrs C's hopes up. It offered £250 compensation.

Our investigator thought that was a fair offer. She didn't think that more 2 life had caused unreasonable delay or made an unfair lending decision. So Mr and Mrs C asked for their complaint 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.

I'm sorry to hear of the difficulties Mr and Mrs C have faced. I know that having building work done can be stressful at the best of times. I've looked carefully at everything that happened here. And, having done so, I'm satisfied that more 2 life has made a fair offer to resolve this complaint.

It shouldn't have issued an offer in June, before the answers to its questions about the scope of the works Mr and Mrs C planned to do had been answered. It did make clear that was an error and Mr and Mrs C understood that their application was still under consideration. In the circumstances, I think its offer of £250 compensation for that is fair.

But I'm afraid I don't uphold Mr and Mrs C's complaint about what happened after that. It was reasonable for more 2 life to ask for more information about their plans to carry out significant and substantial works at the property before it would lend – making sure, for example, that appropriate permissions were in place and that the alterations would not make the property fall outside its lending criteria.

Mr and Mrs C weren't in a position to answer those questions straightaway. It was only in late October that they had local authority approval in place, and had finalised plans. They sent the plans and other documents to more 2 life at the end of October.

more 2 life sent the plans on to the valuer. The valuer asked for further clarification around the measurements on the plans. This was a reasonable request – the valuer needed to understand the extent of changes to the property, what proportion of the new roof would be flat, and so on.

Mr and Mrs C say this wasn't necessary. The valuer could have worked out the dimensions by using the scales on the plans. But I think it was reasonable for the valuer to seek further clarification. There weren't any measurements marked on the plans themselves. And the valuer didn't have the original plans, they had a PDF version that had been emailed – so couldn't be sure that the scaling on the version they had was still accurate compared to the originals. Mr and Mrs C provided plans with measurements, and the valuer confirmed that the works were acceptable.

But by then it was too late to proceed. The original valuation was about to expire. Even if more 2 life had issued a new mortgage offer on the same day as the valuer approved the plans, the mortgage wouldn't have completed before the valuation expired two days later. Therefore a further valuation would be required.

I don't think this was more 2 life's fault. It was Mr and Mrs C's choice to make their original mortgage application in May, before they had finalised plans and consents in place – meaning the first valuation took place in early June. Once the further information more 2 life required was available, at the end of October, it took a reasonable time – bearing in mind the valuer's queries about the measurements – to confirm whether the works would be acceptable.

Because the first valuation expired, more 2 life instructed a second valuation. By this time, Mr and Mrs C had begun work. Their property's roof had been removed, and there was a temporary scaffolding roof protecting the property. The valuer therefore said that the property was not habitable and not suitable for lending at that time.

I appreciate Mr and Mrs C were still living in the property. "Not habitable" doesn't mean it's not possible to live there. It means that the property doesn't meet minimum standards for human habitation – usually including structural soundness (including having a roof), having a working kitchen and bathroom, and so on. And at this time Mr and Mrs C's property didn't have a roof. So it wasn't habitable and not – at that time – in a condition on which more 2 life could lend.

I don't think it was unreasonable for more 2 life to decline to lend at that time. In my experience, most mortgage lenders wouldn't lend on a property in that condition – even if works were ongoing, what matters is the condition at the time of the valuation.

I appreciate this caused Mr and Mrs C difficulties. Their builder had started work. They were running short of funds. If more 2 life wouldn't lend, they had to find alternative, more expensive, finance. But they were only in this position because they had started work before having funding in place. They say they had no choice about that, otherwise they would lose their builder. I see the dilemma this placed them in. But the fact is they were taking a risk in starting the works knowing they didn't yet have funding in place. And because they had started the work, more 2 life wasn't able to lend to them.

For all those reasons, I don't think more 2 life is responsible for the additional costs Mr and Mrs C faced in taking alternative finance, or in increased interest rates on lifetime mortgages. Once it had all the information it needed to make a lending decision, it did so within a reasonable time. Because Mr and Mrs C's application was made before they had everything they would need in place, and it took them time to get those things, the first valuation expired before more 2 life could offer and complete on a mortgage. And the mortgage couldn't then go ahead because Mr and Mrs C had already started their works when the second valuation took place, without waiting for the funding position to be resolved. It wasn't more 2 life's fault that the first valuation expired before an offer could be issued and complete, and it wasn't more 2 life's fault that the second valuation found that the property was not, on that date, suitable for lending. I appreciate this was a difficult and stressful time for Mr and Mrs C. But I don't think more 2 life acted unfairly, or caused unreasonable delay.

My final decision

My final decision is that more 2 life Ltd should pay Mr and Mrs C £250 compensation.

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 13 October 2025.

Simon Pugh
Ombudsman