

## **The complaint**

Mr and Mrs C complain that Mortgage Advice Bureau Limited (MAB) mis-sold them a mortgage.

## **What happened**

In 2019 Mr and Mrs C approached MAB for advice about a mortgage to help them buy a new property. MAB arranged a repayment mortgage with a lender I'll call P, with an interest rate fixed at 3.15% for five years. Mr and Mrs C borrowed around £241,000 at a loan to value of around 70%.

In 2024, Mr and Mrs C complained to MAB. They said that the mortgage wasn't suitable for them and had been mis-sold. In particular, they said that P was a specialist lender and better rates – as low as 1.4% - had been available with high street lenders at that time. And they said that they had discussed and agreed a two year rate, but had ended up with a five year rate.

MAB said it recommended the most suitable mortgage of those available to Mr and Mrs C – the choice of lenders was more limited because Mr C was a self-employed sole trader. It said that although a two year rate had initially been discussed, Mr and Mrs C had decided in the end to opt for a five year rate. MAB had arranged the best available interest rate on that basis.

Mr and Mrs C brought their complaint to us. Our investigator didn't think it should be upheld so they asked for it 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 disappoint Mr and Mrs C, but I'm afraid I've reached the same conclusion as our investigator.

There are two key reasons Mr and Mrs C feel MAB's advice was unsuitable for them – the choice of lender, and the arranging of a five year fixed rate.

MAB's sourcing notes from the time show that there were no high street lenders available, and that P was the most suitable of those which were available. MAB says that's because Mr and Mrs C were both self-employed, and they didn't meet high street lender lending criteria as a result.

With the passage of time, it's not possible for me to know the lending criteria of every high street lender in 2019. However, I am aware that high street lenders generally have stricter lending criteria than specialist lenders, and that lenders generally have different requirements for self-employed applicants compared to those in employment.

The fact find MAB completed with Mr and Mrs C shows that both were self-employed. It

shows income for the current year and the year before, but no income for two or three years ago. Many lenders require three full years of accounts – and a consistent level of income over that period.

As I say, it's not possible for me to confirm now whether there were any other specific lenders who may have accepted an application from Mr and Mrs C in early 2019. The evidence I do have shows that P was the best available lender. And given my knowledge of the mortgage market and given Mr and Mrs C's self-employment situation at the time, I think that was likely to have been the case. I'm not persuaded, in their particular circumstances at the time, that it's likely that there were other lenders available that MAB should have recommended instead.

The initial advice record shows that Mr and Mrs C wanted a two year fixed rate. That was what MAB recommended. And that was the mortgage set out in the illustration they were given on 29 January 2019.

However, the mortgage that was actually arranged, and which featured in the offer of 8 March 2019, was for a five year fixed rate. That doesn't match the mortgage initially discussed and recommended.

MAB says that there were later discussions, and Mr and Mrs C changed their minds and decided to go ahead with a five year fixed rate, so that's the mortgage it arranged. However, it no longer has any documentary evidence of this because of the passage of time, and because the individual adviser no longer works for MAB and it doesn't have access to his electronic profile any longer.

It's unfortunate, if there was a later discussion and Mr and Mrs C did change their minds, that there's no surviving record of this – though I also need to bear in mind that the regulator's rules only require firms to retain advice records for three years and this was six years ago.

I also have to bear in mind the risk of looking at this complaint with hindsight. Mr and Mrs C didn't complain to MAB at the start, or after two years – as they might have done if they were expecting a two year interest rate. They only complained after five years, when the rate they actually took ended. By that time, interest rates were rather higher than they would have been at the end of a two year rate in 2021. So I can understand if Mr and Mrs C were concerned about that, looked back through their records, found there had been a discussion about a two year rate, and thought they might have ended up better off overall had they taken that rate.

But – and without the benefit of hindsight in knowing what happened in the mortgage market from 2022 onwards – I don't think it's likely that MAB switched from a two year fixed rate to a five year fixed rate without discussing it with Mr and Mrs C (even if no record of that discussion now survives). And if it had done, I think Mr and Mrs C would have challenged that at the time. But they didn't – instead they went ahead with the five year rate. On balance, I'm satisfied it's more likely than not that although a two year rate was their initial preference, their final decision was to take a five year rate. I don't therefore find that arranging one meant that the mortgage was unsuitable for them.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs C to accept or reject my decision before 17 November 2025.

Simon Pugh  
**Ombudsman**