

The complaint

Mr S' complaint relates to a second charge mortgage he was recommended by Fluent Money Limited in 2023. He believes that the mortgage was mis-sold to him as it was unsuitable, the advice process was coercive, there was a lack of transparency in the process and Fluent failed to properly assess if the mortgage was affordable.

What happened

In the autumn of 2023 Mr S approached Fluent for assistance in consolidating his existing second charge mortgage and some unsecured debts. At that time Mr S wanted to borrow £75,000 over 25 years for this purpose. Approximately £40,000 of that money was to repay an existing second charge mortgage, £26,500 to pay off three credit cards, £4,700 to repay an unsecured loan and £4,000 to clear Mr S' overdraft. Mr S also had a first charge mortgage of approximately £235,000, which had a fixed interest rate product attached to it, that was due to end in February 2027. Mr S explained that the debt consolidation was necessary because the cost of renovations on his property had gone significantly over budget.

Fluent asked Mr S for information about his needs and circumstances. Mr S said that he wanted to consolidate all of his debts so that he had a fresh start, with only one payment, which would make things simpler. In addition, consolidating the debts would reduce their cost and mean he had more disposable income. Fluent asked Mr S if any of his debts were on 0% interest deals and he confirmed that his credit cards were, but the 0% deals were due to end in the next month or two, when Mr S was anticipating the costs increasing considerably. As such, he wanted the credit card balances consolidated into the new mortgage. In addition, Mr S made Fluent aware that he was not at that time paying interest on his bank overdraft. He explained that he didn't understand why this was, and that it should not be the case, so while he would be paying more interest if the debt was consolidated, he wanted to do so because he thought the bank might realise the situation and start charging interest in the future.

Initially Fluent recommended that Mr S did not consolidate his overdraft and suggested a mortgage for £71,000. The term recommended was 30 years to keep the monthly payments low. A three-year fixed interest product was also recommended to provide stability of payments, while allowing Mr S to avoid an early repayment charge (ERC) when he remortgaged when the interest rate product ended on his first charge mortgage.

However, Mr S was not happy with this recommendation. He wanted the lowest possible monthly payment and the lowest interest rate available was linked to a five-year fixed interest rate product. Fluent explained the costs associated with him choosing that product – that while he would pay around £18 less per month, if he decided to refinance when his first charge mortgage product ended, he would have to pay an ERC of around £2,300. Fluent also confirmed that if he took the three-year fixed rate, based on what the variable reversionary interest rate was at that time, the increase to the monthly payments would only be £6 per month.

Mr S maintained that he wanted to have the five-year product attached to his mortgage. He said that at the end of the first charge product, he could hold off on his plans for a while. As part of this conversation, Fluent explained that at three or five years on a 30-year term mortgage, he wouldn't have paid off much of the capital. This was because, as with his main mortgage, "a big chunk of your payment is made up of interest" and as the balance reduces, more capital is repaid each month. It was confirmed that Mr S could make overpayments in the event his disposable income increased due to pay rises or bonuses.

Mr S decided to proceed with an application for a 30-year mortgage for £75,000. The application was declined by the lender.

Mr S approached Fluent again two months later. He explained that one of his credit cards had reverted to charging interest and the payment had increased significantly. Fluent asked him if he wanted to consolidate just to reduce costs, or if he was struggling financially. He said it was in between – he was managing, but when another of the credit cards started charging interest in a few weeks, he would start to struggle. There was again a discussion about consolidating the overdraft, given no interest was being charged. Mr S again reminded Fluent that he should have been paying interest on the overdraft and that he wanted it consolidated, but he said he could live with it not being consolidated. Mr S again said that he wanted to either sell the property or refinance it in two or three years time.

Fluent gave further advice in November 2023. The circumstances remained the same, although the recommendation included borrowing enough to include Mr S' overdraft in the consolidation. Fluent highlighted that by consolidating the unsecured debts against his home, he might end up repaying those debts over a longer period of time and could pay more overall than he otherwise would have.

Fluent recommended a mortgage of £76,000 plus fees, that would allow Mr S to consolidate all of his debts. The recommended term was 30 years, with a five-year fixed interest rate product. When the recommendation was made, Fluent explained to Mr S that he would be able to make two payments to redeem the mortgage. The first for the majority of the mortgage balance, which would be treated as an overpayment, and the second for the small remaining balance, on which an ERC would be paid. This information was incorrect.

In 2025 Mr S complained to Fluent about the advice he'd received. Fluent responded in a letter of 17 April 2025. It upheld the complaint in part. It said that the adviser could have better reconfirmed the implications of consolidating the overdraft and it offered Mr S £200 compensation. However, it was satisfied that the mortgage and advice given were, overall, suitable.

Mr S was not satisfied with the response and asked this Service to consider his complaint.

One of our Investigators considered the complaint, and he recommended that it be upheld in part. He didn't think the advice to take the mortgage had been unsuitable or that Mr S had been misled, other than when Fluent had put forward a way for Mr S to avoid paying the ERC if he repaid the mortgage within the first five years. The Investigator recommended that Fluent increase the compensation offer to £350.

Mr S didn't accept the Investigator's conclusions. He maintained that Fluent should have set out a breakdown of the CMP and produced a detailed financial analysis of the overall costs of the debts consolidated and not, as he was talking about remortgaging before the end of the term. He said that the loan did not make financial sense, but he had not been aware of that at the time. Mr S reiterated his comments about the consolidation of 0% interest rate debts and added that he should have been told to refinance his 0% credit card debts to further 0% credit card deals, rather than consolidating. Mr S said that had he been told that

he would have to pay an ERC if he refinanced when the interest rate product on his first mortgage ended, he would not have taken the mortgage. In relation to compensation, Mr S considered that Fluent should have to pay him an amount equal to the interest he will pay over the entire term of the mortgage or, it should be made to reduce the loan balance by the amount of the overdraft, thereby removing the impact of the interest on it.

As agreement could not be reached the complaint has been passed to me to consider.

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.

Mr S has referenced throughout his complaint that this loan was not responsibly lent and that it was unaffordable. As the Investigator explained, Fluent is not the lender. A complaint of irresponsible lending due to the mortgage being unaffordable can only be made to the business that lends money. So if Mr S wishes to pursue a complaint about the loan having been lent irresponsibly due to it being unaffordable, he should direct the complaint towards his lender.

What I can, and will, consider against Fluent is whether the advice and recommendation for the mortgage was suitable for him, based on his needs and circumstances in 2023, i.e. whether the mortgage was mis-sold and whether he was misled about the nature of the arrangement he was entering into.

There are three issues at the core of this complaint. The first is that Mr S doesn't believe that Fluent should have advised him to consolidate existing debts that he wasn't paying interest on. The second issue relates to Fluent not explaining to Mr S that in the initial years of the mortgage the amount of capital repaid would be relatively small. The third point being that Mr S was given misleading information about being able to avoid paying an ERC if he repaid the mortgage in the first five years. Mr S has highlighted that all of these issues have had an impact on his plans for remortgaging.

I have listened to the conversations Mr S had with Fluent before each of his applications in the autumn of 2023. In relation to the consolidation of the debts that Mr S was initially not paying interest on, they fall into two categories. The first of these was the credit card balances that Mr S had a fixed term of 0% interest. He confirmed to Fluent in September 2023 that these periods were coming to an end very soon and, by November 2023, one of them already had and the others were about to. I note that Mr S has said that Fluent should have told him to take out new credit cards to complete 0% transfers for these debts. However, in the context of the needs and preferences Mr S expressed to Fluent, that would not have been appropriate advice. In addition, Mr S having additional revolving credit would likely have caused difficulties in him being able to obtain a new second charge mortgage. Overall, given that the 0% interest rate periods for the credit cards had or were about to end, and this was going to cause Mr S financial difficulties, I am not persuaded that it was inappropriate advice for Fluent to recommend them being consolidated into the new mortgage.

The remaining debt that Mr S was not paying interest on was his overdraft. Due to this, Fluent initially recommended that this debt was not consolidated into the new mortgage because no interest was being charged on it. It was not until Mr S insisted that it be included, because he should have been paying interest and was worried about what would happen if his bank realised its error and started charging interest, that Fluent changed its recommendation to include the overdraft in the consolidation. In the circumstances, I am not persuaded that the advice to consolidate the amount of the overdraft was unreasonable or

unsuitable. However, as Fluent has already acknowledged, in November 2023 I think more emphasis could have been placed on the fact that the consolidation would cost him interest, in comparison to whatever period his bank continued in its mistake of not charging interest.

Mr S has commented on what information he considers Fluent should have given him before it recommended a mortgage. The first of these is an analysis of the costs to him for each debt consolidated and not. This is not something that we would expect a mortgage broker to do. There will be an element of this in the assessment, in that it will be confirmed that if fixed term debts are consolidated into a longer-term mortgage, a warning that this could mean that more interest will be paid overall should be given.

I would at this point comment that the fact that more interest would be paid does not mean that advice is wrong – sometimes more interest overall is something that is necessary to assist a consumer that would otherwise end up having difficulties making the necessary payments and suffering the consequences of that. Mr S was provided with that warning when he first discussed a new mortgage. When it came to the credit card debts, by November 2023 Mr S was only paying the minimum payment required by the provider and he acknowledged that he would be in financial difficulties when the next credit card moved to interest-bearing.

I note that Mr S has said he was not told that he would pay very little off the capital balance of the new mortgage in the initial years. However, this was explained to him by Fluent in September 2023 and his main mortgage was used as an example of that fact. It was also confirmed that this was because most of the monthly payment was initially made up of interest. So while Fluent did not tell Mr S figures to show the interest and capital split for the contractual payments, which would anyhow change each month, I am satisfied that he was made aware that most of what he would be paying would initially be used to pay interest and that the capital would reduce very little in the early years, as was the case with the existing mortgage.

I now turn to the matter of the term of the fixed interest rate product that Mr S was recommended and the matter of the ERC. I am satisfied that Mr S received a full explanation of the consequences of having a five-year product rather than the three-year product Fluent initially recommended to him. Fluent even provided a rough calculation of the amount he would have to pay as an ERC at the point his first charge mortgage product ended. Mr S acknowledged this and maintained his preference for a five-year product due to the lower interest rate associated with it. He commented that it might mean that he would need to review his plans at that time. So I am satisfied that Mr S was aware that he would need to pay an ERC in September 2023. However, Fluent then provided him with incorrect information on how he could get around paying the ERC. This was clearly an error on Fluent's part and would have raised Mr S' expectations.

When a financial business has made an error, we try to determine what position the consumer would have been in, but for that error. Mr S has said that he would not have taken the mortgage had he known that he would need to pay an ERC if he remortgaged in early 2027. However, as I have said, it had been clearly explained to Mr S just two months earlier that an ERC of over £2,000 would need to be paid if he refinanced in early 2027. He decided to go ahead with the mortgage application with the five-year product at that time due to the shorter-term benefits and said he would review his longer-term goals at the appropriate time. Given this, I am not persuaded that Mr S would have done anything different had Fluent told him again in November 2023 that an ERC would be payable if he repaid the new mortgage in early 2027.

As I have said above, Fluent acknowledged that its adviser could have better reconfirmed the implications of consolidating the overdraft in November 2023. It offered Mr S £200

compensation for any upset or inconvenience this poor service may have caused him. I am satisfied that is an appropriate amount for that error. However, Fluent also raised Mr S' expectation that he could avoid the ERC if he paid the mortgage off early. That has clearly upset him, and I consider that further compensation should be paid for that mistake. I have considered this carefully and I am in agreement with the Investigator that Fluent should increase its payment to £350.

My final decision

My final decision is that I uphold this complaint in part. In full and final settlement of the complaint I order Fluent Money Limited to pay Mr S a total of £350 compensation for the upset and inconvenience its errors caused him.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr S to accept or reject my decision before 11 February 2026.

Derry Baxter
Ombudsman